



**PIRAMAL ENTERPRISES LIMITED**

Our Company was originally incorporated as a public limited company under the name of 'Indian Schering Limited' on April 26, 1947 under the provisions of the Indian Companies Act, 1913, pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Subsequently, the name of our Company was changed pursuant to fresh certificates of incorporation granted by the RoC, to Nicholas Laboratories India Limited with effect from September 27, 1979, to Nicholas Piramal India Limited with effect from December 2, 1992, to Piramal Healthcare Limited with effect from May 13, 2008 and to Piramal Enterprises Limited with effect from July 31, 2012. We have obtained a certificate of registration dated July 21, 2022, bearing number N13-02432 issued by the Reserve Bank of India ("RBI") to commence/ carry on the business of non-banking financial company under Section 45-IA of the RBI Act, 1934. For more information about our Company, please see "General Information" and "History and Certain Corporate Matters" on pages 52 and 160.

**Corporate Identity Number:** L24110MH1947PLC005719; **PAN:** AACN4538P  
**Registered Office and Corporate Office:** Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400 070, Maharashtra, India  
**Tel:** +91 22 3802 3000/4000; **Website:** www.piramal.com; **Email:** treasury.pchfl@piramal.com; bipin.singh@piramal.com; **Facsimile:** +91 22 3802 3884  
**Company Secretary and Compliance Officer:** Bipin Singh; **Tel:** 022 3802 3805; **Email:** bipin.singh@piramal.com  
**Chief Financial Officer:** Upma Goel; **Tel:** 022 3802 3145; **Email:** upma.goel@piramal.com

**PUBLIC ISSUE BY OUR COMPANY OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDs") FOR AN AMOUNT AGGREGATING UP TO ₹ 3,000 CRORES ("SHELF LIMIT") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHEs UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE") WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY, THE "OFFER DOCUMENTS"). THIS ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON- CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT, 2013") TO THE EXTENT NOTIFIED AND THE SEBI MASTER CIRCULAR. THE ISSUE IS NOT UNDERWRITTEN.**

**OUR PROMOTER**

Our Promoter is Ajay G. Piramal. For further details, see "Our Promoter" beginning on page 187. Tel: 022 - 30466401, E-mail: chairman.pel@piramal.com

**GENERAL RISKS**

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the Issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under "Risk Factors" and "Material Developments" on page 20 and 208, respectively. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), RoC or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Shelf Prospectus read together with Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue, contains and will contain all information with regard to our Company and the Issue, which is material in the context of this Issue. The information contained in this Draft Shelf Prospectus read together with Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue, is true and correct in all material aspects and is not misleading and that the opinions and intentions expressed herein are honestly held and that there are no other factors, the omission of which makes this Draft Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading.

**CREDIT RATING**

The NCDs proposed to be issued pursuant to this Issue have been rated [ICRA]AA (Stable) by ICRA Limited for an amount of up to ₹ 3,000 crores by way of its letter dated June 27, 2023 and rated CARE AA; Stable (Double A; Outlook: Stable) by CARE Ratings Limited for an amount of up to ₹ 3,000 crores by way of its letter dated August 1, 2023. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The rating issued by ICRA Limited is live until withdrawn or changed and as available on ICRA's website, and the ratings issued by CARE Ratings Limited is valid as on the date of this Draft Shelf Prospectus and the rating, once the NCDs are issued, will be valid until withdrawn. The rating provided by the Credit Rating Agency may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. For the rationale and press release for these ratings, see "General Information" and "Annexure B" of this Draft Shelf Prospectus, beginning on page 52 and 385, respectively.

**PUBLIC COMMENTS**

This Draft Shelf Prospectus dated August 28, 2023 has been filed with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") along with BSE, the "Stock Exchanges", pursuant to the provisions of SEBI NCS Regulations and will be open for public comments for a period of seven Working Days from the date of filing of this Draft Shelf Prospectus with the Stock Exchanges. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of Bipin Singh, Company Secretary and Compliance Officer. Comments may be sent through post, facsimile or email. However, please note that all comments by post must be received by the Issuer by 5:00 p.m. (Indian Standard Time) on the seventh Working Day from the date on which this Draft Shelf Prospectus is hosted on the website of the Stock Exchanges. All comments received on this Draft Shelf Prospectus will be suitably addressed prior to filing of the Shelf Prospectus with the RoC.

**LISTING**

The NCDs offered through this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE by way of its letter bearing reference number [●] dated [●] and from NSE by way of its letter bearing reference number [●] dated [●]. For the purposes of this Issue, BSE shall be the Designated Stock Exchange.

**COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT AND ELIGIBLE INVESTORS**

For details pertaining to Coupon Rate, Coupon Payment Frequency, Redemption Date and Redemption Amount of the NCDs, see "Terms of the Issue" beginning on page 210. For details relating to eligible investors, see "Issue Structure" beginning on page 227.

**LEAD MANAGERS TO THE ISSUE**

**REGISTRAR TO THE ISSUE**

 <b>A. K. Capital Services Limited</b> 603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400 098, Maharashtra, India <b>Tel:</b> +91 22 6754 6500 <b>Facsimile:</b> +91 22 6610 0594 <b>Email:</b> pelncd2023@akgroup.co.in <b>Investor Grievance Email:</b> investor.grievance@akgroup.co.in <b>Website:</b> www.akgroup.co.in <b>Contact Person:</b> Aanchal Wagle/ Milan Soni	 <b>JM Financial Limited</b> 7th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India <b>Tel:</b> +91 22 6630 3030 <b>Facsimile:</b> +91 22 6630 3330 <b>Email:</b> pel.ncdisue2023@jmf.com <b>Investor Grievance Email:</b> grievance.ibd@jmf.com <b>Website:</b> www.jmf.com <b>Contact Person:</b> Prachee Dhuri	 <b>Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)</b> 8th Floor, Wing A, Building No 3 Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051 <b>Tel:</b> +91 22 4009 4400 <b>Email:</b> pel.ncd@nuvama.com <b>Investor Grievance Email:</b> customerservice.mb@nuvama.com <b>Website:</b> www.nuvama.com <b>Contact Person:</b> Lokesh Singh/ Saiti Dave	 <b>Trust Investment Advisors Private Limited</b> 109/110, Balarama, Bandra Kurla Complex, Bandra East Mumbai 400 051, Maharashtra, India <b>Tel:</b> +91 22 4084 5000 <b>Facsimile:</b> +91 22 4084 5066 <b>Email:</b> projectkrishna.trust@trustgroup.in <b>Investor Grievance Email:</b> customercare@trustgroup.in <b>Website:</b> www.trustgroup.in <b>Contact Person:</b> Hani Jalan	 <b>Link Intime India Private Limited</b> C 101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli West Mumbai - 400 083, Maharashtra, India <b>Tel:</b> +91 8108114949 <b>Facsimile:</b> +91-022-49186060 <b>E-mail:</b> pel.ncd@linkintime.co.in <b>Website:</b> www.linkintime.co.in <b>Investor grievance e-mail:</b> pel.ncd@linkintime.co.in <b>Contact person:</b> Sumeet Deshpande <b>SEBI Registration No.:</b> INR000004058
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**CREDIT RATING AGENCIES**

**DEBENTURE TRUSTEE\*\***

**JOINT STATUTORY AUDITORS**

 <b>ICRA Limited</b> Electric Mansion, 3rd floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025 <b>Tel:</b> +91 22 61143406 <b>Facsimile:</b> +91 22 24331390 <b>E-mail:</b> shivakumar@icraindia.com <b>Website:</b> www.icra.in <b>Contact Person:</b> L. Shivakumar	 <b>CARE Ratings Limited</b> 4th Floor, Godrej Coliseum, Somaia Hospital Rd, off Eastern Express Highway, Sion East, Mumbai, Maharashtra 400022 <b>Tel:</b> +9122 6754 3456 <b>E-mail:</b> kruti.rawal@careratings.com <b>Website:</b> www.careratings.com <b>Contact Person:</b> Kruti Rawal	 <b>IDBI Trusteeship Services Limited**</b> Universal Insurance Building Ground Floor, Sir P.M. Road Fort, Mumbai - 400 001 <b>Tel:</b> +91 22 40807015, +91 8097474646 <b>Facsimile:</b> +91 22 66311776 <b>Email:</b> response@idbitrustee.com <b>Investor Grievance Email:</b> response@idbitrustee.com, yash.ghelani@idbitrustee.com, gaurav.jeswani@idbitrustee.com, nikhil@idbitrustee.com, teamivory@idbitrustee.com <b>Website:</b> www.idbitrustee.com <b>Contact Person:</b> Nikhil Lohana, Gaurav Jeswani, Yash Ghelani	<b>M/s. Suresh Surana &amp; Associates LLP</b> 308-309, A wing, Technopolis Knowledge Park, Mahakali Caves Road, Andheri (East), Mumbai 400 093, Maharashtra, India <b>Tel:</b> +91 22 61915555 <b>Firm Registration No.:</b> 121750W/W-100010 <b>Email:</b> santosh.maller@ss-associates.com <b>Peer Review Certificate No.:</b> 014084 <b>Contact Person:</b> Santosh Maller	<b>Bagaria &amp; Co. LLP</b> 701, Stanford Building, S.V. Road, Andheri (West), Mumbai 400 058, Maharashtra, India <b>Tel:</b> +91 22 62505600 <b>Firm Registration No.:</b> 113447W/W-100019 <b>Email:</b> rahul@bagariaco.com <b>Peer Review Certificate No.:</b> 014670 <b>Contact Person:</b> Rahul Bagaria
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**ISSUE PROGRAMME\***

**ISSUE OPENS ON:** As specified in the relevant Tranche Prospectus **ISSUE CLOSES ON:** As specified in the relevant Tranche Prospectus

\* The Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten working days from the date of opening of the relevant Tranche Issue and subject to not exceeding thirty days from filing the relevant Tranche Prospectus with RoC) as may be decided by the Administrative Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of the relevant Tranche Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 210 of this Draft Shelf Prospectus.

\*\* IDBI Trusteeship Services Limited pursuant to Regulation 8 of the SEBI NCS Regulations and by way of letter dated August 28, 2023 has given its consent for its appointment as Debenture Trustee to the Issue and for this issue to be included in this Draft Shelf Prospectus, Shelf Prospectus and the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. A copy of the Shelf Prospectus and the relevant Tranche Prospectus shall be filed with the RoC, in terms of Section 26 and Section 31 of the Companies Act, 2013, along with the endorsed/ certified copies of all requisite documents. For further details, see "Material Contracts and Documents for Inspection" beginning on page 379.

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Shelf Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Draft Shelf Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.*

*The words and expressions used in this Draft Shelf Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, the RBI Act and the rules and regulations notified thereunder.*

*Notwithstanding the foregoing, the terms defined as part of “Risk Factors”, “Our Business” “Industry Overview”, “Regulations and Policies”, “Statement of Possible Tax Benefits Available to the Debenture Holders” and “Provisions of Articles of Association” beginning on pages 20, 138, 108, 325, 89 and 342 respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of “Industry Overview” and “Regulations and Policies”, beginning on pages 108 and 325, shall have the meaning ascribed to them hereunder.*

#### General Terms

Term	Description
Company / Issuer	Piramal Enterprises Limited, a public limited company incorporated under the provisions of the Indian Companies Act, 1913, having its Registered Office and Corporate Office at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070, Maharashtra, India
We / us / our	Unless the context otherwise indicates or implies, refers to our Company and its Subsidiaries

#### Company related terms

Term	Description
Administrative Committee	Administrative committee of the Board of Directors, constituted in accordance with applicable laws and as reconstituted from time to time by Board of Directors of the Company
Articles / Articles of Association / AoA	Articles of association of our Company
Asset Liability Committee	Asset liability committee of the Board of Directors, constituted in accordance with applicable laws and as reconstituted from time to time by the Board of Directors
Audit Committee	Audit committee of Board of Directors, constituted in accordance with applicable laws and as reconstituted time to time by Board of Directors
Audited Standalone Financial Statements FY 2021	The audited standalone balance sheet as at March 31, 2021, the audited standalone statement of profit and loss (including other comprehensive income), the audited standalone statement of changes in equity and the audited standalone cash flow statement, each for the year ended March 31, 2021, along with the respective notes to the Audited Standalone Financial Statements FY 2021, which have been prepared in the format provided in Division II of Schedule III of the Companies Act, 2013  The Audited Standalone Financial Statements FY 2021 have been approved by the Board of Directors at their meeting held on June 1, 2021
Audited Consolidated Financial Statements FY 2021	The audited consolidated balance sheet as at March 31, 2021, the audited consolidated statement of profit and loss (including other comprehensive income), the audited consolidated statement of changes in equity and the audited consolidated cash flow statement, each for the year ended March 31, 2021, along with the respective Notes to the Audited Consolidated Financial Statements FY 2021, which have been prepared in the format provided in Division II of Schedule III of the Companies Act, 2013  The Audited Consolidated Financial Statements FY 2021 have been approved by the Board of Directors at their meeting held on June 1, 2021
Audited Financial Statements FY 2021	Collectively, the Audited Standalone Financial Statements FY 2021 and the Audited Consolidated Financial Statements FY 2021
Audited Standalone Financial Statements FY 2022	The audited standalone balance sheet as at March 31, 2022, the audited standalone statement of profit and loss (including other comprehensive income), the audited standalone statement of changes in equity and the audited standalone cash flow statement, each for the year ended March

<b>Term</b>	<b>Description</b>
	31, 2022, along with the respective Notes to the Audited Standalone Financial Statements FY 2022, which have been prepared in the format provided in Division II of Schedule III of the Companies Act, 2013  The Audited Standalone Financial Statements FY 2022 have been approved by the Board of Directors at their meeting held on May 26, 2022
Audited Consolidated Financial Statements FY 2022	The audited consolidated balance sheet as at March 31, 2022, the audited consolidated statement of profit and loss (including other comprehensive income), the audited consolidated statement of changes in equity and the audited consolidated cash flow statement, each for the year ended March 31, 2022, along with the respective Notes to the Audited Consolidated Financial Statements FY 2022, which have been prepared in the format provided in Division II of Schedule III of the Companies Act, 2013. The Audited Consolidated Financial Statements FY 2022 have been approved by the Board of Directors at their meeting held on May 26, 2022
Audited Financial Statements FY 2022	Collectively, the Audited Standalone Financial Statements FY 2022 and the Audited Consolidated Financial Statements FY 2022
Audited Standalone Financial Statements FY 2023	The audited standalone balance sheet as at March 31, 2023, the audited standalone statement of profit and loss (including other comprehensive income), the audited standalone statement of changes in equity and the audited standalone cash flow statement, each for the year ended March 31, 2023, which includes the restated comparative financial information as at and for the year ended March 31, 2022, along with the respective Notes to the Audited Standalone Financial Statements FY 2023, which have been (i) restated to give impact of the Scheme, (ii) reclassified for the purpose of comparison with the audited standalone financial statements for the year ended March 31, 2023, and (iii) prepared in the format provided in Division III of Schedule III of the Companies Act, 2013  The Audited Standalone Financial Statements FY 2023 have been approved by the Board of Directors at their meeting held on May 5, 2023
Audited Consolidated Financial Statements FY 2023	The audited consolidated balance sheet as at March 31, 2023, the audited consolidated statement of profit and loss (including other comprehensive income), the audited consolidated statement of changes in equity and the audited consolidated cash flow statement, each for the year ended March 31, 2023, which includes the restated comparative financial statements as at and for the year ended March 31, 2022, along with the respective Notes to the Audited Consolidated Financial Statements FY 2023, which have been (i) restated to give impact of the Scheme, (ii) reclassified for the purpose of comparison with the audited consolidated financial statements for the year ended March 31, 2023, and (iii) prepared in the format provided in Division III of Schedule III of the Companies Act, 2013  The Audited Consolidated Financial Statements FY 2023 have been approved by the Board of Directors at their meeting held on May 5, 2023
Audited Financial Statements FY 2023	Collectively, the Audited Standalone Financial Statements FY 2023 and the Audited Consolidated Financial Statements FY 2023
Audited Standalone Financial Statements	Collectively, the Audited Standalone Financial Statements FY 2021, Audited Standalone Financial Statements FY 2022 and the Audited Standalone Financial Statements FY 2023
Audited Consolidated Financial Statements	Collectively, the Audited Consolidated Financial Statements FY 2021, Audited Consolidated Financial Statements FY 2022 and the Audited Consolidated Financial Statements FY 2023
Audited Financial Statements	Collectively, the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements
Board / Board of Directors	Board of directors of our Company and includes any committee constituted thereof
Chairman	The Chairman of our Board of Directors
Corporate Office	Corporate office of our Company located at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070, Maharashtra, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of the Board of Directors constituted in accordance with applicable laws and as reconstituted from time to time by the Board of Directors
Committee	A committee constituted by the Board, from time to time
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of face value ₹ 2 each of our Company
ESOP Scheme	The Employee Stock Ownership Plan-2015

Term	Description
Financial Services Approval Committee	Financial services approval committee of the Board of Directors, constituted in accordance with applicable laws and as reconstituted from time to time by the Board of Directors
Group Companies <sup>#</sup>	Such companies as identified as our group companies in terms of Regulation 2(1)(r) of SEBI NCS Regulations, for the Issue, namely Piramal Glass Limited, Piramal Critical Care Inc., Piramal Pharma Limited, Allergan India Private Limited, Piramal Healthcare UK, Piramal Healthcare (Canada) Limited, Piramal Critical Care BV, Piramal Dutch Holdings N.V., PEL Pharma Inc., AASAN Corporate Solutions Private Limited, India Resurgence Asset Management Business Private Limited, PRL Developers Private Limited, Ansa Decoglass Private Limited, Glider Buildcon Realtors Private Limited, Piramal Pharma Solutions, Piramal Healthcare LLC, Piramal Estates Private Limited, Piramal Critical Care UK Limited, Piramal Foundation, Piramal Foundation for Education Leadership, Piramal Trusteeship Services Limited, Shriram GI Holdings Private Limited, India Resurgence ARC Private Limited, Piramal Critical Care Deutschland GmbH, Shriram LI Holdings Private Limited, Social Worth Technologies Private Limited, Pramerica Life Insurance Limited, Kaivalya Education Foundation, Piramal Glass USA Inc., PGP Glass Private Limited and Piramal Corporate Services Private Limited.  <i><sup>#</sup>Piramal Pharma Limited, Piramal Critical Care Inc., Allergan India Private Limited, Piramal Healthcare UK, Piramal Healthcare, Canada, Piramal Critical Care Deutschland GmbH, Piramal Critical Care Limited, Piramal Critical Care BV., Piramal Dutch Holdings N.V., PEL Pharma Inc., Piramal Pharma Solutions, Piramal Healthcare LLC and Piramal Critical Care UK Limited have been identified as related parties as per applicable RBI guidelines</i>  <i>*One of the entities, Shrilekha Business Consultancy, had related party transactions with our Company during the last three years and consequently, would form part of group companies as per the definition under Regulation 2(1)(r) of the SEBI NCS Regulations. However, the entity has merged with Shriram Capital Limited on November 9, 2022, and has therefore, ceased to be a group company of our Company</i>
Independent Director(s)	Independent director(s) of our Company, as disclosed under “Our Management”, beginning on page 164
Key Managerial Personnel(s) / KMP(s)	Key managerial personnel(s) of our Company as disclosed under “Our Management”, beginning on page 164 and appointed in accordance with provisions of the Companies Act, 2013
Information Technology Strategy Committee	Information technology strategy committee of the Board of Directors, constituted in accordance with applicable laws and as reconstituted from time to time by the Board of Directors
Memorandum of Association/ MoA	Memorandum of association of our Company
Nomination and Remuneration Committee/ NRC	Nomination and remuneration committee of the Board of Directors, constituted in accordance with applicable laws and as reconstituted from time to time by the Board of Directors
Non-Executive Director(s)	Non-executive director(s) of our Company, as disclosed under “Our Management”, beginning on page 164
Promoter	Ajay G. Piramal
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations, 2018, as amended
Registered Office	Registered office of our Company located at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070, Maharashtra, India
Registrar of Companies / RoC	Registrar of Companies, Maharashtra at Mumbai
Scheme	Composite scheme of arrangement between our Company, Piramal Pharma Limited (“PPL”), Convergence Chemicals Private Limited (“CCPL”), Hemmo Pharmaceuticals Private Limited (“HPPL”) and PHL Fininvest Private Limited (“PFPL”) and their respective shareholders and creditors, for (i) transfer by way of demerger of all businesses, undertakings, activities, operations and properties of our Company, of whatsoever nature and kind and wheresoever situated, exclusively related to or pertaining to the conduct of, or the activities of, the pharmaceutical business of our Company; (ii) amalgamation of CCPL and HPPL, being wholly-owned subsidiaries of PPL, into PPL; and (iii) amalgamation of PFPL, being a wholly-owned subsidiary our Company, into our Company, pursuant to order of the National Company Law Tribunal, Mumbai, dated August 12, 2022. The appointed date for the Scheme is April 1, 2022 (the “Appointed Date”)
Senior Management	Senior Management of our Company in accordance with Regulation 2 (1)(iia) of the SEBI NCS Regulations
Shareholders	Equity Shareholders of our Company from time to time

<b>Term</b>	<b>Description</b>
Statutory Auditor(s)/ Joint Statutory Auditor(s)/ Auditor(s)/Current Statutory Auditor(s)	M/s. Suresh Surana & Associates LLP and Bagaria & Co. LLP
Subsidiaries	The subsidiaries of our Company, namely, Piramal Capital and Housing Finance Limited ( <i>formerly known as Dewan Housing Finance Corporation Limited</i> ), Piramal Fund Management Private Limited, Piramal Systems & Technologies Private Limited, Piramal International, Piramal Technologies SA, DHFL Changing Lives Foundation, Piramal Alternative Private Limited ( <i>formerly known as Piramal Asset Management Private Limited</i> ), PEL Finhold Private Limited, Piramal Dutch IM Holdco B.V., Piramal Consumer Products Private Limited, Piramal Securities Limited, Piramal Finance Sales and Services Private Limited, Viridis Infrastructure Investment Managers Private Limited, Piramal Alternatives Trust, Piramal Payment Services Limited, DHFL Advisory & Investments Private Limited, DHFL Investments Limited, DHFL Holdings Limited, INDIAREIT Investment Management Co., Piramal Investment Advisory Services Private Limited, Piramal Investment Opportunities Fund and PRL Agastya Private Limited
Stakeholders Relationship Committee	Stakeholders relationship committee of the Board of Directors, constituted in accordance with applicable laws and as reconstituted from time to time by the Board of Directors
Sustainability and Risk Management Committee	Sustainability and risk management committee of the Board of Directors, constituted in accordance with applicable laws and as reconstituted from time to time by the Board of Directors
Unaudited Consolidated Financial Results	The unaudited financial results on a consolidated basis of the Company for the quarter ended June 30, 2023 together with notes thereon prepared in accordance with Indian Accounting Standards (Ind AS 34) specified under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Companies Act, 2013, and presented in accordance with the requirements of the SEBI Listing Regulations, which have been approved by the Board of Directors at their meeting held on July 28, 2023 and subjected to limited review by Joint Statutory Auditors
Unaudited Standalone Financial Results	The unaudited financial results on a standalone basis of the Company for the quarter ended June 30, 2023 together with notes thereon prepared in accordance with Indian Accounting Standards (Ind AS 34) specified under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Companies Act, 2013, and presented in accordance with the requirements of the SEBI Listing Regulations, which have been approved by the Board of Directors at their meeting held on July 28, 2023 and subjected to limited review by Joint Statutory Auditors
Unaudited Financial Results	Collectively, the Unaudited Consolidated Financial Results and the Unaudited Standalone Financial Results

#### Issue related terms

<b>Term</b>	<b>Description</b>
Abridged Prospectus	A memorandum accompanying the application form for a public issue containing the salient features of the Shelf Prospectus and the relevant Tranche Prospectus as specified by SEBI
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
AK Capital	A. K. Capital Services Limited
Allot/ Allotment / Allotted	Unless the context otherwise requires, the issue and allotment of the NCDs to the successful Applicants pursuant to the Issue
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted, either in full or in part in terms of this Issue
Applicable Accounting Standards	generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable for the relevant fiscal period/year and includes the Indian Accounting Standards (IND-AS) and the generally accepted accounting principles in India (Indian GAAP)
Applicant / Investor / ASBA Applicant / ASBA Bidder	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus and Application Form for any Tranche Issue

<b>Term</b>	<b>Description</b>
Application / ASBA Application/ASBA	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount or an Application Amount of up to UPI Application Limit will be blocked upon acceptance of UPI Mandate Request by retail investors which will be considered as the application for Allotment in terms of the Shelf Prospectus and the relevant Tranche Prospectus
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue
Application Form / ASBA Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs and in terms of the Shelf Prospectus and the relevant Tranche Prospectus
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form, and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to UPI Application Limit
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Banker(s) to the Issue	Collectively Public Issue Account Bank(s), Refund Bank and Sponsor Bank as specified in the relevant tranche prospectus for each Tranche Issue
Base Issue Size/ Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in relevant Tranche Prospectus for each Tranche Issue
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges at <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>
BSE	BSE Limited
Category I Investor (Institutional Investors)	<ul style="list-style-type: none"> <li>• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;</li> <li>• Provident funds and pension funds each with a minimum corpus of ₹ 25 crores, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;</li> <li>• Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</li> <li>• Resident Venture Capital Funds registered with SEBI;</li> <li>• Insurance companies registered with the IRDAI;</li> <li>• State industrial development corporations;</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>• Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>• Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crores as per the last audited financial statements;</li> <li>• National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and</li> <li>• Mutual funds registered with SEBI</li> </ul>
Category II Investor (Non-Institutional Investors)	<ul style="list-style-type: none"> <li>• Companies within the meaning of Section 2(20) of the Companies Act, 2013;</li> <li>• Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> </ul>



Term	Description
	<ul style="list-style-type: none"> <li>• Co-operative banks and regional rural banks;</li> <li>• Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;</li> <li>• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>• Partnership firms in the name of the partners;</li> <li>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> <li>• Association of Persons; and</li> <li>• Any other incorporated and/ or unincorporated body of persons</li> </ul>
Category III Investor (High net-worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all options of NCDs in this Issue
Category IV Investor (Retail Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,000,000 across all options of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participants / CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Master Circular
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations
Consortium Agreement	Consortium Agreement to be entered between the Company, Lead Managers and Consortium Members as specified in the relevant Tranche Prospectus for each Tranche Issue
Consortium Members	As specified in relevant Tranche Prospectus for each Tranche Issue
Consortium / Members of the Consortium / Members of Syndicate (each individually, a Member of the Consortium)	The Lead Managers and the Consortium Members
Coupon/ Interest Rate	As specified in the relevant Tranche Prospectus for each Tranche Issue
Credit Rating Agency(ies)	ICRA Limited and CARE Ratings Limited
Current Assets	The aggregate of the Company's cash, inventories, trade and other receivables realizable within one year, and prepaid expenses which are to be charged to income within one year, revenues, raw materials, consumable stores and spares and other current assets including trade and other receivables including receivables by way of cash assistance and/or cash incentives or any claims by way of refund of customs/excise duties, book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising and uncalled capital and stock in trade, whether installed or not and whether lying loose or in cases or which are lying or are stored in or to be stored in or to be brought into or upon the Company's premises, warehouses, stockyards and godowns or the premises, warehouses, stockyards and godowns of the Company's agents, affiliates, associates or representatives or at various work sites or at any place or places wherever else situated or wherever else the same may be and shall include any other assets classified as 'current asset' in its financial statements, which description shall include all properties of the above description whether presently in existence, constructed or acquired hereafter.
Debenture Holder(s) / NCD Holder(s)	The holders of NCDs as also beneficial owners of NCDs where the NCDs are issued in electronic (dematerialised) form pursuant to the Issue, and whose names appear in the register of debenture holders(s) or the list of beneficial owner(s)/register of beneficial owners(s) prepared, held and given by the Depository, from time to time and Debenture Holder means each such person, and includes their respective successors/ transferees and assigns.

<b>Term</b>	<b>Description</b>
Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements. The contents of the Debenture Trust Deed shall include the provisions prescribed by SEBI or any other applicable statutory/regulatory body
Debenture Trustee Agreement	Agreement dated August 28, 2023 entered into between our Company and the Debenture Trustee
Debenture Trustee / Trustee	Trustee for the NCD holders in this case being IDBI Trusteeship Services Limited
Deed of Hypothecation	Unattested deed of hypothecation to be executed by the Company in favour of the Debenture Trustee for creating a first ranking and pari passu charge on the Hypothecated Property by way of hypothecation with regard to the NCDs
Deemed Date of Allotment	The date on which the Administrative Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Administrative Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the NCD holders from the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant such as his address, email, bank account details, MICR Code and UPI ID, category, PAN etc.
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or at such other weblink as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges at <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which the funds blocked by the SCSBs on receipt of instructions from the RTA are transferred from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account(s) and Sponsor Bank Agreement following which the NCDs will be Allotted in the Issue
Designated Intermediaries	Includes, the Members of the Consortium, Sub-Consortium/agents, Trading Members, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue  In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs  In relation to ASBA applicants submitted by Retail Individual Investors where the amount will be blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Consortium, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the SEBI Master Circular
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of UPI Application Limit) are available on the respective websites of the Stock Exchanges at <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> and updated from time to time
Designated Stock Exchange	The designated stock exchange for the Issue, being BSE Limited
Direct Online Application Mechanism	An online interface enabling direct applications through UPI by an app based/web interface, by Applicants to the Issue with an online payment facility
DP / Depository Participant	A depository participant as defined under the Depositories Act
Draft Shelf Prospectus	This draft shelf prospectus dated August 28, 2023 filed with the Stock Exchanges for receiving public comments and with SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Excluded Assets	(i) the Receivables over which the Company has already created a first ranking exclusive charge to secure its other borrowings or the borrowings of any of its Affiliates, group entity or of any other Persons and such first ranking and exclusive charge subsists on the date of the Deed of

Term	Description
	Hypothecation; (ii) the Receivables over which the Company may create first ranking exclusive charge in favour of any Person including but not limited to National Bank for Agriculture and Rural Development, Small Industries Development Bank of India or any appropriate governmental authority or any non-governmental authority / Person, in future, to secure its other borrowings or the borrowings of any of its Affiliates, group entity or of any other Persons, in accordance with the provisions of the Transaction Documents; (iii) all the investments in the nature of equity investments or convertible instruments made or held by the Company; (iv) all the Current Assets and/or the Financial Assets over which the Company has created or may create a first ranking exclusive charge or a lien to secure its other borrowings or the borrowings of any of its Affiliates, group entity or of any other Persons; and (v) the Receivables arising out of investments made, or loan extended by the Company to its Subsidiaries or Affiliates
Final Settlement Date	The date on which the Secured Obligations have been irrevocably and unconditionally discharged in full and all the series/tranches of the NCDs have been redeemed by the Company in full
Financial Assets	The assets of the Company identified as 'financial assets' in the financial statements of the Company, prepared in accordance with the Applicable Accounting Standards
Hypothecated Property	The Movable Assets of the Company and all rights, title, interest, benefits, claims and demands whatsoever of the Company in, to or in respect of such Movable Assets.
Issue	Public issue by our Company of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, for an amount aggregating up to the ₹ 3,000 crores ("Shelf Limit") (hereinafter referred to as the "Issue"), pursuant to the Shelf Prospectus and the relevant Tranche Prospectus. The NCDs will be issued in one or more tranches upto the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any tranche issue (each a "Tranche Issue") which should be read with the Shelf Prospectus. The Issue is being made pursuant to the provisions of SEBI NCS Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI Master Circular
Issue Agreement	Agreement dated August 28, 2023 entered into by our Company and the Lead Managers
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue Documents	This Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus read with any notices, corrigenda, addenda thereto, the Abridged Prospectus, the Application Form and supplemental information, if any,
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms as provided in the respective Tranche Prospectus
JM Financial	JM Financial Limited
Lead Managers	A. K. Capital Services Limited, JM Financial Limited, Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and Trust Investment Advisors Private Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchanges in connection with the listing of debt securities of our Company
Market Lot	One (1) NCD
Material Line of Business	The business of non-banking financial services and/or housing finance services undertaken by the Company and/or PCHFL
Mobile App(s)	The mobile applications listed on the website of Stock Exchanges as may be updated from time to time, which may be used by Retail Individual Bidders to submit Bids using the UPI Mechanism
Majority Debenture Holders	Shall have the meaning provided in the Debenture Trust Deed
Majority Resolution	Shall have the meaning provided in the Debenture Trust Deed
Maturity Date / Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Movable Assets	All standard Receivables of the Company (both present and future), including without limitation; <ul style="list-style-type: none"> <li>(i) Receivables arising out of lending, loans and advances, investments (including non-convertible debenture), inter-corporate deposits;</li> <li>(ii) Current Assets; and</li> </ul>

<b>Term</b>	<b>Description</b>
	(iii) Financial Assets; over which Security Interest is required to be created in favour of Debenture Trustee, for the benefit of Debenture Holders for the repayment of the Secured Obligations, save and except the Excluded Assets. It is hereby clarified the Excluded Assets shall at no point in time form a part of Movable Assets.
NCDs / Debentures	Secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 3,000 crores offered through this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus
Nuvama	Nuvama Wealth Management Limited ( <i>formerly known as Edelweiss Securities Limited</i> )
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Offer Document	This Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto
Option(s) / Series	As specified in the relevant Tranche Prospectus for each Tranche Issue
Public Issue Account	Account(s) to be opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI mechanism) on the Designated Date
Public Issue Account, Refund Account and Sponsor Bank Account Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Managers for the appointment of the Sponsor Bank in accordance with the SEBI Master Circular and for collection of the Application Amounts from ASBA Accounts under the UPI mechanism from the Applicants on the terms and conditions thereof and where applicable, refund of the amounts collected from the applicants, as specified for relevant Tranche Prospectus for each Tranche Issue
Public Issue Account Bank	Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened and as specified in the relevant Tranche Prospectus for each Tranche Issue
Receivables	All principal amounts and interest (including coupon, premium and/or any default / penal interest) owing to or receivable by our Company including all the accrued book debts, both present and future, other than those amounts whose repayment is overdue (i) by more than 90 (Ninety) days; or (ii) such number of days required to categorize the asset as a non-performing asset under RBI guidelines for non-banking financial companies, whichever is lower, whether such monies receivable are retained in any of the accounts of our Company or otherwise, in respect of loans and advances/ investments in certain securities/ inter-corporate deposits subscribed to / given / placed by our Company, and as more particularly identified by our Company to the Debenture Trustee from time to time in the certificate provided / to be provided in terms of the Deed of Hypothecation
Record Date	15 (fifteen) days prior to the interest payment date, and/or Redemption Date for NCDs issued under the relevant Tranche Prospectus  In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date
Recovery Expense Fund	A fund created by our Company with the Designated Stock Exchange at the time of making the application for listing of NCDs as specified in the SEBI Master Circular for Debenture Trustees
Redemption Amount	As specified in the relevant Tranche Prospectus
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus
Refund Account(s)	The account(s) to be opened by our Company with the Refund Bank(s), from which refunds of the whole or part of the Application Amounts (excluding for the successful ASBA Applicants), if any, shall be made
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened and as specified in the relevant Tranche Prospectus.
Register of NCD holders	A register of debenture holders maintained by our Company in accordance with the provisions of the Companies Act, 2013

<b>Term</b>	<b>Description</b>
Registrar Agreement	Agreement dated August 28, 2023 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 as amended from time to time, and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants
Registrar to the Issue/ Registrar	Link Intime India Private Limited
Registrar and Share Transfer Agents/RTA	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, in the Issue at the Designated RTA Locations
Required Security Cover	Security Cover Ratio of 1 time or such higher ratio as set out in the relevant Tranche Prospectus, as applicable, of the outstanding nominal/ face value of the Debentures, interest, default interest (wherever applicable), payment of the redemption premium, fees, costs, charges, expenses or otherwise, reimbursement thereon, payable in respect of the Debentures at the given point of time and to be maintained by the Company at all times until the Final Settlement Date
RTA Master Circular	Securities and Exchange Board of India Master Circular for Registrars to an Issue and Share Transfer Agents' dated May 17, 2023, bearing reference number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70
SCSBs / Self Certified Syndicate Banks	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> for ASBA and <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Security	The Security Interests required to be created over the Hypothecated Property on a first ranking <i>pari passu</i> basis, and shall include the additional security (if any), to secure the NCDs with the Required Security Cover, as set out in the Transaction Documents
Security Cover Ratio	The ratio of the value of the Hypothecated Property to the outstanding amounts under any of the Financial Indebtedness whether of the Company or any other Person for which any charge, security or encumbrance has been created over the Hypothecated Property, including the outstanding Secured Obligations
Security Documents	The Deed of Hypothecation, powers of attorney and all such documents as may be required for creating and perfecting the Security Interest as may be required to be created in terms of the Transaction Documents, in favour of the Debenture Trustee for the benefit of the NCD Holders and for enforcement of such Security
Security Enforcement Event	Shall have the meaning provided in the Debenture Trust Deed
Security Interest(s)	Mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect
Secured Obligations	All obligations at any time due, owing or incurred by the Company to the Debenture Trustee or the NCD Holders, as the case may be, in respect of the NCDs and shall include (a) the obligation to redeem the NCDs in terms thereof including payment of coupon / interest, default interest, penal interest, any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee or the Debenture Holders and other monies payable by the Company in respect of the NCDs under the Transaction Documents; (b) any and all sums advanced by the Debenture Trustee in order to preserve the Security created / to be created in relation to the NCDs; (c) in the event of any proceedings for the collection and/or enforcement of the obligations of the Company in respect of the NCDs, after an event of default shall have been initiated, the expenses of retaking, holding, preparing for sale, selling or otherwise disposing of or realizing the Security or any part thereof or of any exercise of the Debenture Trustee of its rights under the relevant Transaction Documents, together with legal fees and court costs in relation thereto
Shelf Limit	The aggregate limit of the Issue, being ₹ 3,000 crores to be issued pursuant to this Draft Shelf Prospectus, Shelf Prospectus and Tranche Prospectus(es) through one or more Tranche Issues
Shelf Prospectus	The Shelf Prospectus that shall be filed by our Company with the RoC, BSE, NSE and the SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations. The Shelf Prospectus shall be valid for a period as prescribed under section 31 of the Companies Act, 2013
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited
Special Majority	Shall have the meaning provided in the Debenture Trust Deed



<b>Term</b>	<b>Description</b>
Special Resolution	Shall have the meaning provided in the Debenture Trust Deed
Specified Locations	Centers where the Members of the Consortium shall accept ASBA Forms from Applicants a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value up to UPI Application Limit and carry out any other responsibilities in terms of the SEBI Master Circular
Syndicate ASBA	ASBA Applications through the Designated Intermediaries
Syndicate ASBA Application Locations	Bidding centres where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Centres named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Tenor	the tenor of the NCDs as specified in the relevant Tranche Prospectus for each Tranche Issue
Trading Members	Intermediaries registered with a broker or a sub-broker under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus
Tranche Prospectus(es)	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection etc., in respect of the relevant Tranche Issue
Transaction Documents	Transaction documents shall mean this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus(es) read with any notices, corrigenda, addenda thereto, Abridged Prospectus, the Issue Agreement, Registrar Agreement, Consortium Agreement, Debenture Trustee Agreement, Public Issue Account and Sponsor Bank Agreement, Tripartite Agreements, Application Form, the Debenture Trust Deed and Security Documents executed or to be executed by our Company, as the case may be and any other document that may be designated as a Transaction Document by the Debenture Trustee. For further details see, " <i>Material Contracts and Documents for Inspection</i> " on page 379
Tripartite Agreements	Tripartite Agreement dated February 19, 2010 entered into between our Company, Registrar to the Issue and NSDL; and Tripartite Agreement dated February 15, 2010 entered into between our Company, Registrar to the Issue and CDSL
Trust Investment	Trust Investment Advisors Private Limited
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value upto ₹500,000, as applicable and prescribed by SEBI from time to time
UPI Mandate Request / Mandate Request	A request initiated by the Sponsor Bank on the retail individual investor to authorize blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount (not exceeding UPI Application Limit) and subsequent debit of funds in case of allotment
UPI Mechanism / UPI	Unified Payments Interface mechanism in accordance with SEBI Master Circular as amended from time to time, to block funds for application value up to UPI Application Limit submitted through intermediaries
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(III) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a Person or a company categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as a wilful defaulter

<b>Term</b>	<b>Description</b>
Working Day	Working day means all days on which commercial banks in Mumbai are open for business. In respect of announcement or bid/Issue Period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ Issue Closing Date and the listing of the NCDs on the Stock Exchanges, working day shall mean all trading days of the Stock Exchanges for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI

#### **Business/Technical/Industry Related Terms/Abbreviations**

<b>Term</b>	<b>Description</b>
AI	Artificial Intelligence
ALCO	Asset Liability Management Committee
ALM	Asset-Liability Management
AML	Anti Money Laundering
API	Active Pharmaceutical Ingredients
AUM	Assets under Management
Automated Engine	Automated proprietary fraud analytical rule engine
CARE	CARE Ratings Limited
CMML	Corporate and Mid-Market Lending
CRAR	Capital to Risk Assets Ratio
CRM	Customer Relationship Management
CRMC	Credit Risk Management Committee
CSR	Corporate Social Responsibility
DCC	Deal Clearance Committee
DHFL	Dewan Housing Finance Corporation Limited
ECC	Executive Credit Committee
ESG	Environmental, Social and Governance
FRMC	Fraud Risk Management Committee
GNPA	Gross Non-Performing Asset
HFC	Housing Finance Company
ICRA	ICRA Limited
JLG	Joint Liability Group
KYC	Know Your Customer
LAP	Loans Against Property
LRD	Lease Rent Discounting
LTV	Loan-to value ratio
MSME	Micro, Small and Medium Enterprises
NBFC	Non-Banking Financial Company
NBFC-ML	Non-Banking Financial Company – Middle Layer
NBFC-UL	Non-Banking Financial Company – Upper Layer
NCLT	National Company Law Tribunal
NHB	National Housing Bank
NPA	Non-Performing Asset
OEM	Original Equipment Manufacturer
ORMC	Operational Risk Management Committee
PCHFL	Piramal Capital and Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)
PCSPL	Piramal Corporate Services Private Limited
PHFL	Piramal Housing Finance Private Limited
PEL	Piramal Enterprises Limited
PLU	Piramal Learning University
PPL	Piramal Pharma Limited
RTO	Road Transport Authority
SDF	Small Developer Finance
SME	Small and Medium-sized Enterprises
SRE	Standard on Review Engagements
SRMC	Sustainability and Risk Management Committee

#### **Conventional and general terms**

<b>Term</b>	<b>Description</b>
₹/ Rs. / INR/ Rupees	The lawful currency of the Republic of India
AGM	Annual general meeting
AS or Accounting Standards	Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
AY	Assessment year
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
Companies Act	The Companies Act, 1956, or the Companies Act, 2013, as applicable
Companies Act, 2013	Companies Act, 2013, and rules made thereunder
Consumer Protection Act	Consumer Protection Act, 1986, as amended
CRISIL Report	Report titled “Market Intelligence and Analytics - NBFC Report” dated April 2023 prepared and issued by CRISIL Limited
CrPC	Code of Criminal Procedure, 1973, as amended
COVID-19	Pandemic caused due to the worldwide spread of the novel coronavirus disease
COO	Chief Operating Officer
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996, as amended
DRR	Debenture redemption reserve
EGM	Extraordinary general meeting
EPS	Earnings per share
FEMA	Foreign Exchange Management Act, 1999, as amended
Fiscal / Financial Year / FY	Financial year ending March 31
GDP	Gross domestic product
GoI	Government of India
HUF	Hindu undivided family
IBC	Insolvency and Bankruptcy Code, 2016, as amended
IFRS	International financial reporting standards
IFSC	Indian financial system code
Ind AS	Indian Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended from time to time
Indian GAAP	Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Accounting Standards) Rules, 2014, as amended from time to time
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International securities identification number
IST	Indian standard time
IT Act	Income Tax Act, 1961, as amended
ITAT	Income Tax Appellate Tribunal
JV	Joint Venture
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
NACH	National automated clearing house
NBFC-ND-SI Directions	Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
NEFT	National electronic funds transfer
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
RTAs	Registrar and share transfer agents
RTGS	Real time gross settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, as amended

<b>Term</b>	<b>Description</b>
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations/ SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Master Circular	Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 issued by SEBI, as amended
SEBI Master Circular for Debenture Trustees	Circular no. SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023 issued by SEBI, as amended
SEBI NCS Regulations/ Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended
TDS	Tax deducted at source

## FORWARD-LOOKING STATEMENTS

Certain statements in this Draft Shelf Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe strategies, objectives, plans or goals are also forward-looking statements.

All statements regarding expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including financial conditions and results of operations to differ from expectations include, but are not limited to, the following:

1. High levels of customer defaults and the resultant non-performing assets could adversely affect our Company’s business, financial condition, results of operations and future financial performance.
2. Our business is particularly vulnerable to interest rate risk, and volatility in interest rates could have a material adverse effect on our net interest income, net interest margin and our financial performance.
3. Our Company’s business requires substantial capital and any disruption in the sources of its funding or an increase in its average cost of borrowings could have a material adverse effect on its liquidity and financial condition.
4. Our retail lending business involves transactions with certain relatively high-risk borrowers. Any default from our customer could adversely affect our business, results of operations, financial conditions and cash flows.
5. The past performance and growth of our business is not indicative of our future performance and growth. We may undertake acquisitions, strategic investments, restructuring in future. Any failure to complete such strategic decisions may adversely affect our reputation or growth prospects.
6. Our indebtedness and conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.
7. Our Company, Subsidiaries, Promoter and certain of our Directors are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.
8. Our Company is subject to supervision and regulation by the RBI, as an NBFC-ND-SI, and other regulatory authorities and changes in the RBI’s regulations and other regulations, and the regulation governing our Company or the industry in which our Company operates could adversely affect its business.
9. A failure or inadequacy or security breach in our Company’s information technology and telecommunication systems or its inability to adapt to rapid technological changes may adversely affect its business, results of operation and financial condition.
10. Our Company’s inability to comply with observations made by the RBI or any adverse action by the RBI may have a material adverse effect on its business, financial condition and results of operations.

For further discussion of factors that could cause our actual results to differ, see “*Risk Factors*” on page 20.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the “*Industry Overview*”, “*Our Business*” and “*Outstanding Litigations and Defaults*” on pages 108, 138 and 262, respectively.

The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.



By their nature, certain market risk disclosures are only estimate(s) and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, nor the Lead Managers or its respective Directors and officers, nor any of its respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, our Company and the Lead Managers will ensure that investors are informed of material developments between the date of filing the Shelf Prospectus with the RoC and the date of receipt of listing and trading permission from the Stock Exchanges for the NCDs issued pursuant to relevant Tranche Issue.

## CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY PRESENTATION

### *General*

In this Draft Shelf Prospectus, unless the context otherwise indicates or implies, references to “you”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors” and “potential investor” are to the prospective investors in this Issue, references to “our Company”, “the Company”, “we”, “us”, “our” or the “Issuer” are to Piramal Enterprises Limited. Unless stated otherwise, all references to page numbers in this Draft Shelf Prospectus are to the page numbers of this Draft Shelf Prospectus.

In this Draft Shelf Prospectus, references to “Rupees”, “₹”, “Rs.”, “INR” are to the legal currency of India and references to “USD”, “US\$” are to the legal currency of the United States. All references herein to the “U.S.” or the “United States” are to the United States of America and its territories and possessions and all references to “India” are to the Republic of India and its territories and possessions, and the “Government”, the “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Certain figures contained in this Draft Shelf Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources. India has decided to adopt the “Convergence of its existing standards with IFRS with some difference” referred to as the “Indian Accounting Standards” or “Ind AS”. The standalone financial statements and consolidated financial statements are prepared as per the Indian Accounting Standards.

In this Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off. Except otherwise specified, our Company has presented numerical information in this Draft Shelf Prospectus in “crores”, “lakhs”, “millions” or “billions”. One crore represents 10,000,000, one lakh represents 100,000, one million represents 1,000,000 and one billion represents 1,000,000,000.

Unless stated otherwise all references to time in this Draft Shelf Prospectus are to Indian standard time.

### *Presentation of Financial Statements*

The financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular “financial year”, “fiscal year” and “fiscal” or “FY”, unless stated otherwise, are to the 12 months period ended on March 31 of that year. Unless the context requires otherwise, all references to a year in this Draft Shelf Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31 of that calendar year.

The Audited Financial Statements disclosed in this Draft Shelf Prospectus consists of Audited Standalone Financial Statements and Audited Consolidated Financial Statements. The basis of presentation of the Audited Financial Information is as follows:

#### *(i) The Audited Financial Statements FY 2021*

The Audited Financial Statements FY 2021 consists of the audited standalone financial statements and audited consolidated financial statements of our Company, each as at and for the year ended March 31, 2021, which have been prepared in accordance with the Indian Accounting Standards (“**Ind AS**”), as specified under Section 133 of the Companies Act, 2013, the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other applicable provisions of the Companies Act, 2013, and in the format provided in Division II of Schedule III of the Companies Act, 2013. The audited standalone financial statements and the audited consolidated financial statements, each as at and for the year ended March 31, 2021, have been audited by M/s. Deloitte Haskins & Sells LLP (the “**Previous Auditors**”).

#### *(ii) The Audited Financial Statements FY 2022*

The Audited Financial Statements FY 2022 consists of the audited standalone financial statements and audited consolidated financial statements of our Company as at and for the year ended March 31, 2022, which have been prepared in accordance with the Ind AS, as specified under Section 133 of the Companies Act, 2013, the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other applicable provisions of the Companies Act, 2013, and in the format provided in Division II of Schedule III of the Companies Act, 2013. The audited standalone financial statements and the audited consolidated financial statements, each as at and for the year ended March 31, 2022, have been audited by the Previous Auditors.

(iii) ***The Audited Financial Statements FY 2023***

The Audited Financial Statements FY 2023 consists of the audited standalone financial statements and audited consolidated financial statements of our Company, each as at and for the year ended March 31, 2023 (which includes the restated comparative financial statements as at and for the year ended March 31, 2022), which have been (i) restated to give impact of the Scheme, (ii) reclassified for the purpose of comparison with the audited standalone financial statements and the audited consolidated financial statements, and (iii) prepared in the format provided in Division III of Schedule III of the Companies Act, 2013, each as at and for the year ended March 31, 2023, and have been prepared in accordance with the Ind AS, as specified under the Section 133 of the Companies Act, 2013, the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other applicable provisions of the Companies Act, 2013. The audited standalone financial statements and the audited consolidated financial statements, each as at and for the year ended March 31, 2023, which includes the restated comparative financial statements as at and for the year ended March 31, 2022, have been audited by our Current Statutory Auditors.

Our Company's Audited Financial Statements are included in this Draft Shelf Prospectus and is referred to hereinafter as the "Audited Financial Statements" in "Annexure A: Financial Statements" on page 384.

The Unaudited Financial Results of our Company for the quarter ended June 30, 2023 have been prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there-under and have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on July 28, 2023 and subjected to limited review by Joint Statutory Auditors, pursuant to Regulation 33 and Regulation 52 of the SEBI Listing Regulations. Our Company's unaudited financial results are included in this Draft Shelf Prospectus and are referred to hereinafter as "Unaudited Financial Results". For further details see "Unaudited Financial Results" in "Annexure A: Financial Statements" on page 384.

Further, Unaudited Financial Results for quarter ended June 30, 2023 is not indicative of full year results and are not comparable with annual financial statements.

Unless stated otherwise and unless the context requires otherwise, the financial data used in this Draft Shelf Prospectus is on a consolidated basis.

***Presentation of Key Performance and Financial Indicators***

Our Company obtained a certificate of registration from the RBI, to operate as a NBFC, on July 21, 2022. Prior to the Appointed Date, our Company was a non-financial sector entity, and the financial statements of our Company was audited, prepared and presented accordingly.

The financial statements, as disclosed in this Draft Shelf Prospectus, have been prepared for the financial year ended March 31, 2021 in the format applicable for the non-financial sector entity on a standalone and consolidated basis. The financial statements for the years ended March 31, 2022 (as restated) and March 31, 2023 have been prepared in the format applicable for a financial sector entity on a standalone and consolidated basis. Accordingly, the key operational and financial parameters have been disclosed for our Company in the format applicable for a non-financial sector entity, on a standalone and consolidated basis, for the financial year ended March 31, 2021, and in the format applicable for a financial sector entity, on a standalone and consolidated basis, for the financial years ended March 31, 2022 (as restated) and March 31, 2023. The key operational and financial parameters for the financial year ended March 31, 2021 have been prepared from the Audited Financial Statements FY 2021, and the key operational and financial parameters for the financial year ended March 31, 2022 and March 31, 2023 have been prepared from the Audited Financial Statements FY 2023.

**Currency and Units of Presentation**

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US\$" or "\$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented all numerical information in this Draft Shelf Prospectus in "crores" units, "lakh" units, "million" units, "billion" units or in whole numbers where the numbers have been too small to represent in lakhs, millions or billions. One crore represents 10,000,000, one lakh represents 100,000, one million represents 1,000,000 and one billion represents 1,000,000,000.

## Exchange Rates

This Draft Shelf Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI NCS Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD (in Rupees per USD):

Currency	As at			
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	82.04	82.22	75.81	73.50

Source: [www.fbil.org.in](http://www.fbil.org.in)

*The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.*

## Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Shelf Prospectus has been obtained from the CRISIL Report and various industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Draft Shelf Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Issue has been omitted. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Certain information and statistics in relation to the industry in which we operate, which has been included in this Draft Shelf Prospectus has been extracted from an industry report titled "*CRISIL Market Intelligence & Analytics (CRISIL MI&A) – NBFC Report released in Mumbai in April, 2023*", prepared and issued by CRISIL Market Intelligence & Analytics ("**CRISIL Report**"). Please see "*Industry Overview*" on page 108 for further details. Following is the disclaimer of CRISIL Market Intelligence & Analytics in relation to the CRISIL Report.

*"CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Piramal Enterprises Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."*

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*", on page 20. Accordingly, investment decisions should not be based solely on such information.

Given that we have compiled, extracted and reproduced data from external sources, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Managers have independently verified this data and neither we nor the Lead Managers make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Managers can assure potential investors as to their accuracy.

## SECTION II: RISK FACTORS

*An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this Draft Shelf Prospectus, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse impact on our business, results of operations, cash flows and financial condition. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.*

*If any one of the following stated risks or other risks that are not currently known or are now deemed immaterial actually occurs, the Company's business, financial conditions and results of operations and cash flows could suffer and, therefore, the trading price of the Company's NCDs could decline and/or the Company's ability to meet its obligations in respect of the NCDs could be affected and you may lose all or part of your interest and/or redemption amounts. More than one risk factor may have simultaneous affect with regard to the NCDs such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the NCDs and/or the Company's ability to meet its obligations in respect of the NCDs.*

*The financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Draft Shelf Prospectus. This Draft Shelf Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Shelf Prospectus.*

*Unless otherwise indicated or unless the context otherwise requires, the financial information included herein is derived from our Audited Consolidated Financial Statements and the Unaudited Interim Consolidated Financial Results, as included in this Draft Shelf Prospectus. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year. We publish our financial statements in Indian Rupees.*

*Unless stated otherwise, or unless context requires otherwise, the financial information included herein is based on our Audited Consolidated Financial Statements FY 2021 and Audited Consolidated Financial Statements FY 2023 (which includes the restated comparative financial information as at and for the year ended March 31, 2022), and Unaudited Consolidated Financial Results for the three months ended June 30, 2023. For details, please see "Certain Conventions, Use of Financial, Industry and Market Data and Currency Presentation - Presentation of Financial Statements" and "Financial Statements" on pages 17 and 384 of this Draft Shelf Prospectus. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the 12 months ended March 31 of that year. Except as indicated otherwise, all references in this section to "we", "us", "our" or "our Company" are to Piramal Enterprises Limited and Piramal Capital and Housing Finance Limited.*

### **Risks related to our business**

#### **1. High levels of customer defaults and the resultant non-performing assets could adversely affect our Company's business, financial condition, results of operations and future financial performance.**

Our Company's business comprises of retail and wholesale lending which includes, *inter alia*, home loans, secured MSME loans and real estate financing, and accordingly, our Company is subject to risks of customer defaults which includes defaults or delays in repayment of principal and/or interest on the loans our Company provides to its customers. Defaults or delays in repayment of loans, particularly unsecured loans, could materially impact our business, financial condition and results of operations. Our customers may default on their obligations as a result of various factors, including certain external factors, which may not be within our Company's control such as developments in the Indian economy, movements in global markets, changes in interest rates and changes in regulations. Any negative trends or financial difficulties affecting our Company's customers could increase the risk of their default. Our customers could also be adversely affected by factors such as bankruptcy, lack of liquidity, lack of business and operational failure. If customers fail to repay loans in a timely manner or at all, our Company's financial condition and results of operations will be adversely impacted. Some of our microfinance loans are also offered to joint liability group ("JLG") customers who do not provide any collateral or security for their borrowings and typically involve a joint liability arrangement wherein guarantee for a loan provided to a single customer is provided by other members of the JLG. There can however be no assurance that such joint liability arrangements will ensure repayment by the other members of the JLG in the event of default by any one of them. To the extent our Company is not able to successfully manage the risks associated with lending to these customers, it may become difficult for our Company to make recoveries on these loans. Typically, the Company levies penal charges for delays in repayment of loans. The income from a particular loan repayment is recognized until the loan portfolio becomes an NPA as per the terms and conditions of the underlying loan agreements. Our Company may experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates. An increase in delinquency rates could result in a reduction in our Company's total interest income (i.e., our Company's accrued interest income from loans,



including any interest income from credit substitutes) and as a result, lower revenue from its operations, while increasing costs, and as a result of the increased expenses required to enforce security and recover delinquent loans, and make loan loss provisions as per applicable regulations. Our Company may also be required to make additional provisions in respect of loans to such customers in accordance with applicable regulations and, in certain cases, may be required to write-off such loans.

Our Company has in the past faced certain instances of customers defaulting and/or failing to repay dues in connection with loans or finance provided by our Company. Our Company had in certain instances initiated legal proceedings to recover the dues from its delinquent customers. For further details in relation to litigations, please see “*Outstanding Litigation and Defaults*” on page 262 of this Draft Shelf Prospectus. Customer defaults could also adversely affect our Company’s levels of NPAs and provisions made for its NPAs, which could in turn adversely affect our Company’s operations, cash flows and profitability.

The table below provides the details of Gross NPA, Net NPA of our Company on a standalone basis as of March 31, 2023.

<b>Particulars (As of March 31, 2023)</b>			
<b>Gross NPA (in ₹ crores)</b>	<b>Net NPA (in ₹ crores)</b>	<b>Gross NPA (%)</b>	<b>Net NPA (%)</b>
511.53	223.47	5.05%	2.27%

The table below provides the details of Gross NPA, Net NPA of Piramal Capital and Housing Finance Limited on a standalone basis as of March 31, 2023.

<b>Particulars (As of March 31, 2023)</b>			
<b>Gross NPA (in ₹ crores)</b>	<b>Net NPA (in ₹ crores)</b>	<b>Gross NPA (%)</b>	<b>Net NPA (%)</b>
1,544.31	814.88	3.47%	1.86%

Further, while we have laid down clearly defined due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure low delinquency rates. Moreover, difficulties in assessing the risk profile of our customers may result in higher rates of defaults and the level of NPAs in our portfolio, thereby affecting our business, financial condition and results of operations.

**2. *Our business is particularly vulnerable to interest rate risk, and volatility in interest rates could have a material adverse effect on our net interest income, net interest margin and our financial performance.***

Our results of operations depend to a large extent on the level of our net interest income as our primary revenue source is interest income. Net interest income is the difference between our revenue from operations and finance costs. Revenue includes our dividend income, rental incomes, fees and commission income, sale of services and other operating income, whereas finance cost includes fees and commission expenses. The difference between the interest rates that we charge on interest-earning assets (i.e., our portfolio loans) and the interest rates that we pay on interest-bearing liabilities, and the volume of such assets and liabilities, tend to have a significant impact on our results of operations. For the year ended March 31, 2023, interest on income on loans and advances represented 65.26% of our total interest income. Changes in market interest rates affect the interest rates which we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities. Interest rates are highly sensitive, and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors. Interest rates in India have been volatile in the past. An increase in interest rates could result in an increase in interest expense in a higher proportion compared to interest income if we are not able to increase the rates charged on our portfolio loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets. Further, such increase in interest rates could impact our ability to raise low cost funds as compared to some of our competitors which may have access to lower cost deposits. For example, RBI had recently on June 8, 2022 hiked repo rate by 50 basis points in its monetary policy, followed by 50 basis points hike in repo rate on September 30, 2022, followed by another 25 basis points hike in repo rate on February 8, 2023 increasing the repo rate to 6.50%. The sharp increase in interest rate tends to impact our cost of funds and profitability of our Company. The differences between repricing maturities of rate sensitive liabilities and rate sensitive assets, called repricing gaps, exposes our business to interest rate risk. Our business is also exposed to interest rate risk in the form of non-uniform movement in different interest rate benchmarks that are used for pricing of our assets and liabilities.

The table below represents our fixed rate and floating rate as of June 30, 2023.

Particulars	As of June 30, 2023	
	Assets	Liabilities
Fixed rate	67.09%	42.82%
Floating rate	32.91%	57.18%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

An increase in inflation and consequent changes in bank rates, repo rates and reverse repo rates by the RBI have led to an increase in interest rates on loans provided by banks and financial institutions and consequently, interest rates in India have been volatile in recent financial periods. There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest income and net interest margins, which could in turn have a material adverse effect on our business, results of operations, cash flows and financial condition.

As the repricing maturities of our liabilities and assets are spread over different time periods, we are exposed to interest rate risk in the form of non-parallel movement in yield curves. Further, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest earning assets, it could lead to a reduction in our net interest income (representing our revenue from operations as reduced by our finance costs) and net interest margin. The quantum of the changes in interest rates for our assets and liabilities may also be different, leading to a decrease in the interest margin. We operate a defined benefit gratuity plan in respect of certain eligible employees. The investments of the superannuation funds are made in government securities, financial institutions and other financial products. If interest rates were to fall, our liabilities under defined benefit gratuity plan will increase, which would impact our profits and financial performance. Moreover, changes in interest rates could affect our fixed income portfolio and treasury income.

There can be no assurance that we would be able to adequately manage our interest rate risks. If we are unable to effectively manage our interest rate risks, it could have an adverse effect on our net interest income, net interest margin, thereby impacting our business prospects, financial condition and results of operations.

**3. *Our Company's business requires substantial capital and any disruption in the sources of its funding or an increase in its average cost of borrowings could have a material adverse effect on its liquidity and financial condition.***

Our Company's liquidity and ongoing profitability are, to a large extent, dependent upon its timely access to, and the costs associated with, raising capital. Our Company's funding requirements have historically been met through a combination of borrowings such as term loans, issuance of non-convertible debentures, commercial papers, securitization and external commercial borrowings. Thus, our Company's business growth, liquidity and profitability depends and will continue to depend on its ability to access diversified, relatively stable and low-cost funding sources as well as our Company's financial performance, capital adequacy levels, credit ratings and relationships with lenders. Any adverse developments or changes in applicable laws and regulations which limit our Company's ability to raise funds through term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures can disrupt its sources of funding, and as a consequence, could have a material adverse effect on our Company's liquidity and financial condition. As of March 31, 2023, our Tier I CRAR was 29.06% and our Tier II CRAR was 1.25% on a standalone basis, as against the statutory minimum capital adequacy of 15.00% currently prescribed by RBI. While we are focussed on maintaining a balanced CRAR, there can be no assurance that we will be able to maintain a balanced CRAR, which could impact our business prospects, financial condition and results of operations.

As of June 30, 2023, our Company's borrowings on a standalone basis were ₹5,877.69 crores. In order to make these payments, our Company will either need to refinance this debt, which may prove to be difficult in the event of volatility in the credit markets, or alternatively, raise equity capital or generate sufficient revenue to retire the debt. There can be no assurance that our Company's business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

Our Company's ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including liquidity in the credit markets, the strength of the lenders from which our Company borrows, the amount of eligible collateral and accounting changes that may have an impact on calculations of covenants in our Company's financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our Company's cost of funds and make it difficult for our Company to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on our Company's liquidity and financial condition.

**4. *Our retail lending business involves transactions with certain relatively high-risk borrowers. Any default from our customer could adversely affect our business, results of operations, financial conditions and cash flows.***

The products under our retail lending business are primarily provided to individual customers, including such customers that are self-employed or employed in the informal sectors. Although we use a technologically enabled internal proprietary scorecard system, however, to the extent that there is limited financial information available for our focus customer segment and customers do not have any credit history supported by tax returns, bank or credit card statements, statements of previous loan exposures or other related documents, it may be difficult to carry out credit risk analyses on them. As a result, such customers may pose a higher risk of default than customers with greater financial resources and more established credit histories and customers living in urban areas with better access to education, formal employment opportunities and social services. The focus customer segment for our retail lending business are customers in Tier 2, Tier 3 and Tier 4 cities as well as other towns in India. Our customers generally have limited sources of income, savings and credit histories. As a result, our customers potentially present a higher risk of loss in case of a credit default compared to that of borrowers in other asset-backed financing products. Such loss in case of a credit default could adversely affect our business and results of operations.

**5. *The past performance and growth of our business is not indicative of our future performance and growth. We may undertake acquisitions, strategic investments, restructuring in future. Any failure to complete such strategic decisions may adversely affect our reputation or growth prospects.***

Our Company has experienced rapid organic and inorganic growth over the past few years. As part of our strategy to transform our financial services, our wholly-owned subsidiary, PCHFL acquired DHFL, with effect from September 30, 2021. The acquisition of DHFL has resulted in an increase in the contribution of the retail lending business to our AUM. Our AUM for retail lending business witnessed a growth of 49.15% from ₹21,552.28 crores as of March 31, 2022 to ₹32,144.23 crores as of March 31, 2023. However, our past growth is not indicative of our future performance or potential growth.

As part of our growth strategy, we expect the contiguous expansion of our geographic footprint and network of branches to continue, which may further constrain our capital and human resources, and make asset quality management increasingly important. As we move to newer geographies, we may not be able to maintain the level of our NPAs or the quality of our portfolio. We will need to continue to enhance and improve our financial, accounting, information technology, administrative/ risk management and operational infrastructure and internal capabilities in order to manage the future growth of our business effectively. For instance, the Company uses machine learning score cards for credit risk assessments of the loan applicants. The Company is in process of expanding usage of digital solutions for KYC validations, obtaining bank statements through account aggregators to make process more efficient and reduce risk of frauds. We may be unable to successfully implement such steps to enhance and improve growth in various aspects and may be unable to develop adequate infrastructure or devote sufficient financial resources or develop and attract talent to manage our growth. We also expect to continue to seek growth opportunities through inorganic acquisitions. These opportunities can take various forms, including green field investments, acquisitions, mergers, joint ventures, strategic investments and asset purchases. There is no guarantee that we will be able to successfully integrate any future inorganic acquisitions into our business successfully or that the future acquisitions will be beneficial for our Company.

We may undertake acquisitions, strategic investments, restructuring in future. Any failure to complete such strategic decisions may adversely affect our reputation or growth prospects. If we are unable to manage our future expansion successfully, our ability to provide products and services to our customers would be adversely affected, and, as a result, our reputation could be damaged, and our business and results of operations could be materially and adversely impacted. Notwithstanding the expansion of our business and customer base, there is no guarantee that we will be able to effectively manage or continue the rate of growth and financial performance. While we will continue to endeavor to grow our profitability going forward, no assurance can be given that our growth will continue at a similar rate or that we will be able to manage our rapid growth. If we are unable to implement or sustain our growth strategy effectively it could adversely affect our business, results of operations, cash flows and financial condition.

**6. *Our indebtedness and conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.***

As of June 30, 2023, our Company's borrowings on a standalone basis were ₹5,877.69 crores. Having large outstanding borrowing portfolios may have significant implications on our business and results of operations and cashflows, including, *inter alia*:

- low availability of cash flow for working capital, capital expenditures and other general corporate requirements;

- fluctuations in market interest rates may affect the cost of our borrowings, as our indebtedness is at variable interest rates;
- affecting our ability to obtain additional financing in the future at reasonable terms;
- triggering provisions of cross-default across multiple financing arrangements;
- adverse and onerous implications (including limitations to the use of funds in the relevant facility) in the event of inability to comply with financial and other covenants specified in the financing agreements;
- the right to recall loans by our lenders; and
- reduction in the ability to respond to changing business, regulatory and economic conditions.

Our primary sources of funding include term loans, issuance of non-convertible debentures, commercial paper, securitization and external commercial borrowings. Some of our agreements require us to take the consent from our lenders for undertaking various actions, including, for:

- entering into any schemes of mergers, amalgamations, compromise or reconstruction;
- effecting any change in our ownership or control;
- effecting any change in our capital structure;
- any material changes in our management or business;
- any amendments to our Memorandum or Articles of Association;
- transfer or dispose of any of our undertakings;
- revaluing our assets; and
- entering into any long-term contracts that significantly affect us.

Additionally, some of our loan agreements also require us to maintain certain periodic financial ratios. Some of our financing agreements also contain cross-default and cross-acceleration clauses, which are triggered in the event of default by our Company under the respective financing agreements.

Our future borrowings may also contain similar restrictive provisions. In the event that we breach any financial or other covenants contained in any of our financing arrangements, commit default thereunder or in the event we had breached any terms in the past which are only identified in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments.

We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

**7. *Our Company, Subsidiaries, Group Companies, Promoter and certain of our Directors are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.***

We are involved, from time to time, in legal and regulatory proceedings that are incidental to our operations and these involve proceedings filed by and against our Company. We, our Subsidiaries, Group Companies, Promoter and certain of our Directors are involved in legal and regulatory proceedings which include, criminal proceedings, civil proceedings, arbitration cases, consumer proceedings, tax investigations, cases filed by us under the Negotiable Instruments Act and certain recovery matters. We have also been issued notices from various authorities including the National Biodiversity Authority, the Madhya Pradesh State Biodiversity Board, various food and drug administration offices and legal metrology departments. There has also been a complaint filed against our Company before SEBI on April 10, 2015 alleging non-receipt of bonus shares. The complaint was dismissed by SEBI. However, the complainant has approached the NCLT. For further details, please see “*Outstanding Litigation and Defaults – Litigation involving our Company – Regulatory Matters*” on page 264 of this Draft Shelf Prospectus. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions

we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. For a summary of certain material legal proceedings involving our Company, our Subsidiaries, our Promoter and certain of our Directors, please see “*Outstanding Litigations and Defaults*” on page 262 of this Draft Shelf Prospectus.

Certain of our Directors are involved in, *inter alia*, criminal proceedings including an FIR filed by the Central Bureau of Investigation under Section 420 of the Indian Penal Code. For further details, please see “*Outstanding Litigation and Defaults – Litigation involving our Directors – Litigation against our Directors – Criminal*” on page 271 of this Draft Shelf Prospectus.

One of our Group Companies, Piramal Pharma Limited, received a show cause notice by the SEBI alleging non-disclosure of certain material information to the stock exchanges as required in terms of the SEBI Listing Regulations. Piramal Pharma Limited, pursuant to its letter dated June 13, 2023, requested SEBI for the inspection of certain documents and records available with SEBI. Further, a detailed response has been filed pursuant to its letter dated July 14, 2023 requesting SEBI to withdraw the show cause notice as, *inter alia*, Piramal Pharma Limited was not incorporated at the time of the alleged non-disclosure. For further details, please see “*Outstanding Litigation and Defaults – Litigation involving our Group Company – Litigation against our Group Company – Regulatory matters*” on page 294 of this Draft Shelf Prospectus.

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. If a significant number of these disputes are determined against our Company, Subsidiaries, Group Companies, Promoter, Directors, as applicable, and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, financial condition and results of operations.

**8. *One of our Subsidiaries, PCHFL is party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business, operations and reputation.***

PCHFL is involved, from time to time, in legal and regulatory proceedings that are incidental to its operations and these involve proceedings filed by and against it which include, criminal proceedings, civil proceedings, arbitration cases, consumer proceedings, tax investigations, cases filed by us under the Negotiable Instruments Act, recovery matters. PCHFL has also been issued notices by various regulatory authorities including caution letters by the National Housing Bank in relation to delays in submission, incorrect reporting and non-disclosure of information. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses of PCHFL may incur in such proceedings, or that the actual liability will be as reflected in any provision that PCHFL has made in connection with any such legal proceedings. For a summary of certain material legal proceedings involving PCHFL, please see “*Outstanding Litigations and Defaults – Litigation involving our Subsidiaries*” on page 276 of this Draft Shelf Prospectus.

Further, pursuant to the acquisition of Dewan Housing Finance Limited, PCHFL has received notices from regulatory and investigative authorities seeking information in connection with the activities conducted by the erstwhile management of DHFL, from time to time. PCHFL responds to such notices basis the availability of information sought in such notices. Further, PCHFL is also impleaded in certain matters by third parties in relation to recovery of loans, money laundering, consumer matters, non-disbursal of loans in connection with activities conducted by the erstwhile management of DHFL before various forums. PCHFL has initiated some applications with the relevant authorities stating that it was neither a necessary nor a proper party in such legal proceedings, and on the basis that all claims arising prior to the corporate insolvency resolution process of DHFL stand extinguished and accordingly requested for deletion of the name of our Company from these legal proceedings. PCHFL will continue to initiate such applications as and when such circumstances arise.

We cannot assure you that the name of PCHFL will be deleted from such proceedings, or the concerned court or regulatory authority will not issued further notice, pass an order or levy any penalty on PCHFL or we will not continue receiving notices from the regulatory agencies which will distract attention of the management and employees and increase expenses. For further details, please see “*Outstanding Litigations and Defaults – Litigation involving our Subsidiaries*” on page 276 of this Draft Shelf Prospectus.

**9. *Our Company is subject to supervision and regulation by the RBI, as an NBFC-ND-SI, and other regulatory authorities and changes in the RBI’s regulations and other regulations, and the regulation governing our Company or the industry in which our Company operates could adversely affect our business.***

Our Company is regulated principally by the RBI and is subject to the RBI’s guidelines on the regulation of the NBFC-ND-SIs and the Scale Based Regulation, which includes, among other things, matters related to capital adequacy, exposure and other prudential norms. It also has reporting obligations to the RBI. The RBI also regulates the credit

flow by banks to NBFC-ND-SIs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFC-ND-SIs. The RBI's regulation of NBFC-ND-SIs may change in the future which may require our Company to restructure its activities, incur additional costs or could otherwise adversely affect our business and financial performance. In order to provide enhanced control, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented. There can be no assurance that the RBI and/or the Government will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFC-ND-SIs. For instance, recently, the RBI *vide* its notification dated August 18, 2023 issued guidelines to ensure fair lending practices. Through this notification, the regulated entities in cases of non-compliance of material terms and conditions of loan, can only apply 'penal charges' as opposed to 'penal interest'. This would lead to no further interest computed on such charges. This could result in reducing revenue and challenges in enforcing credit discipline.

We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us differs in certain material respects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's NBFC sector. The laws and regulations governing the non-banking finance industry in India have become increasingly complex and cover a wide variety of issues. Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations. Moreover, new regulations may be passed that restrict our ability to do business. Further, these regulations are subject to frequent amendments and depend upon government policy. We cannot assure you that we will not be subject to any adverse regulatory action in the future. The costs of compliance may be high, which may affect our profitability. If we are unable to comply with any such regulatory requirements, our business and results of operations may be materially and adversely affected.

If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. Any changes in the existing regulatory framework, including any increase in the compliance requirements, may require us to divert additional resources, including management time and costs towards such increased compliance requirements. Such an increase in costs could have an adverse effect on our business, prospects, financial condition and results of operations. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards our business, which may have an adverse effect on our future business, prospects, financial condition and results of operations.

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

**10. *A failure or inadequacy or security breach in our Company's information technology and telecommunication systems or its inability to adapt to rapid technological changes may adversely affect its business, results of operation and financial condition.***

Our Company's ability to operate and remain competitive depends in part on its ability to maintain and upgrade its information technology systems and infrastructure on a timely and cost-effective basis, including its ability to process a large number of transactions on a daily basis and maintain data privacy. Our Company's operations also rely on cyber security for the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Our Company's financial, accounting or other data processing systems and management information systems or its corporate website may fail to operate adequately or become disabled as a result of events that may be beyond its control, including a disruption of electrical or communications services. Further, the information available to and received by our Company's management through its existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in its operations. If any of these systems are disabled or if there are other shortcomings or failures in our Company's internal processes or systems, it may disrupt our Company's business or impact its operational efficiencies and render it liable to regulatory intervention or damage to its reputation, or led to leakage of data. The occurrence of any such events may adversely affect our Company's business, results of operations and financial condition.

In addition, the future success of our Company's business will depend in part on its ability to respond to technological advances and to emerging financing industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that our Company will successfully implement new technologies effectively or adapt its technology and

systems to meet customer requirements or emerging industry standards. If our Company is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, its financial condition could be adversely affected. Any technical failures associated with its information technology systems or network infrastructure, including those caused by power failures and other unauthorized tampering, may cause interruptions or delays in our Company's ability to provide services to its customers on a timely basis or at all, and may also result in added costs to address such system failures and/or security breaches, and for information retrieval and verification.

**11. *We are subject to periodic inspections by the RBI. Any failure to take adequate action pursuant to observations made in any such inspections may adversely affect our reputation, financial condition, and results of operations.***

Inspection is carried out periodically by the RBI for all NBFCs registered with it under the provisions of the RBI Act, 1934 (the "**RBI Act**"). Our Company, being an NBFC-ND-SI, is subject to periodic inspection by the RBI, for compliance with provisions of the RBI Act and the directions and circulars issued by RBI. Such inspection involves inspection of our internal policies, our books of accounts and other records to verify inter alia the correctness or completeness of any statement, information or particulars furnished to the RBI.

In the recent past, in its periodic inspections on our Company, the RBI has made observations on various matters including (i) our internal controls and processes; (ii) risk management systems; (iii) policies; (iv) fair practices code; and (v) other operational matters. We are in the process of taking steps to address the issues identified in such inspection reports by the RBI. In the event that we fail to take adequate action pursuant to the RBI observations, we could be subject to penalties and restrictions which may be imposed by the RBI, and the RBI may take adverse action against us, including placing stringent restrictions on our operations or revoking our registration/ license in certain cases.

Further, erstwhile PHL Fininvest Private Limited ("**PFPL**"), which has now amalgamated with our Company, was also subject to periodic inspections conducted by RBI. RBI issued observations to PFPL in Fiscal 2021 and Fiscal 2020, through risk assessment reports and inspection reports on various matters including (i) asset quality; (ii) internal system and controls; (iii) regulatory operations; (iv) compliance assessment; and (vi) conduct of business. PFPL undertook relevant steps to address the issues identified in the reports.

While we attempt to be in compliance with all regulatory provisions applicable to us, we cannot assure you that the RBI will not find any deficiencies in future inspections or the RBI will not make similar or other observations in the future. Imposition of any penalty or adverse finding by the RBI or by any other regulatory authority during future inspections may have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

**12. *One of our subsidiaries, Piramal Capital and Housing Finance Limited ("PCHFL"), is subject to periodic inspections by the NHB. Any failure to take adequate action pursuant to observations made in any such inspections may adversely affect our reputation and business prospects.***

One of our subsidiaries, PCHFL, is a company registered under the National Housing Bank, Act, 1987 ("**NHB Act**"). By virtue of being registered under the NHB Act, PCHFL is subject to periodic inspections by the National Housing Bank ("**NHB**"). Such inspection involves inspection of PCHFL's internal policies, books of accounts and other records to verify inter alia the correctness or completeness of any statement, information or particulars furnished to the NHB.

The periodic inspections include observations on various matters including (i) asset quality and related policy issues; (ii) failure to have systems in place for asset classification and provisioning; (iii) lack of model for rating of borrowers and linkage of pricing to same; (iv) non-disclosure of depreciation in investments; and (v) other operational matters of PCHFL. Pursuant to these inspections, the NHB issues supervisory letters to PCHFL containing their observations. PCHFL subsequently responds to such supervisory letters issued by NHB, and takes steps to address the identified issues.

While PCHFL attempts to be in compliance with all regulatory provisions applicable to us, we cannot assure you that the NHB will not find any deficiencies in future inspections or the NHB will not make similar or other observations in the future. In the event that PCHFL is unable to comply with the observations made by the NHB, it could be subject to penalties and restrictions which may be imposed by the NHB. Imposition of any penalty or adverse finding by the NHB during any future inspection may have a material adverse effect on our reputation and business prospects.

**13. *Our Company and our Subsidiaries require various statutory and regulatory approvals, licenses, registrations and permissions to conduct our business. Any inability to obtain, renew or maintain the statutory and regulatory permits***

***and approvals which are required to operate its existing or future businesses may have a material adverse effect on its business, financial condition and results of operations.***

NBFCs and HFCs in India are subject to regulations and supervision by the RBI and NHB. In addition to the numerous conditions required for the registration as an NBFC or and HFC with the RBI, our Company and PCHFL are also required to comply with certain other regulatory requirements for its business imposed by the RBI. In the future, there could be circumstances where our Company may be required to renew applicable permits and approvals, including its registration as an NBFC-ND-SI and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company, or at all. Failure by our Company to renew, maintain or obtain the required permits or approvals may result in an interruption of its operations and may have a material adverse effect on its business, financial condition and results of operation.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities.

**14. *Our Company may not be able to recover the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans on a timely basis or at all and as a result, which could adversely affect its financial condition and results of operations.***

The secured loans offered by our Company are typically secured against property mortgage in case of home loans, and personal guarantees by promoters, corporate guarantees by flagship companies, share pledge of SPVs, as applicable, along with security of underlying projects, in the case of real estate loans. The value of collaterals is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of the stock markets and real estate sector in India and the areas in which our Company operates, and (iv) any change in statutory and/or regulatory requirements.

Delays in recovery, bankruptcy and foreclosure proceedings, defects in the title and delays in obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral. As a result, our Company may not be able to recover the full value of the collateral for the loans provided by it within the expected timeframe or at all. Further, legal proceedings may have to be initiated by our Company in order to recover overdue payments on loans, and as a consequence, the money and time spent on initiating legal proceedings may adversely affect our Company's cash flow

The value of the security provided by the borrowers to our Company may be subject to a reduction in value on account of various reasons. While our Company's customers may provide alternative security to cover the shortfall, the realizable value of the security for the loans provided by our Company in the event of a liquidation may continue to be lower than the combined amount of the outstanding principal amount, interest and other amounts recoverable from the customers.

Any default in the repayment of the outstanding credit obligations by our Company's customers may expose us to losses. A failure or delay to recover the loan value from sale of collateral security could expose our Company to potential losses. Any such losses could adversely affect our Company's financial condition and results of operations. Furthermore, the process of litigation to enforce our Company's legal rights against defaulting customers in India is generally a slow and potentially expensive process. Accordingly, it may be difficult for our Company to recover amounts owed by defaulting customers in a timely manner or at all.

**15. *We are exposed to fluctuations in real estate prices and any negative events affecting the real estate sector.***

The demand for products, which include construction finance for real estate developers and loans against property ("LAP") and lease rent discounting ("LRD"), is generally affected by developments in the real estate sector. The demand for our housing loans in our retail lending business and our real estate loans in our wholesale lending business is affected by movement in real estate prices. Further, as the underlying security on our loans is primarily mortgages or other form of security over the customers' other real residential or commercial property, a substantial portion of our loan portfolio is exposed to events affecting the real estate sector. The value of real estate properties secured under our loans is largely dependent on prevalent real estate market conditions, as well the quality of the construction and the pedigree of the relevant developer. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. For instance, we offer housing loans and other loans to borrowers, where the primary collateral is real estate. The value of the collateral, however, may decline during the term of the loan for a variety of reasons, including due to adverse market conditions



prevalent in the real estate sector. As a result, if our borrowers default, we may receive less money from liquidating collateral than is owed under the relevant financing facility, and, in turn, incur losses, even where we successfully repossess and liquidate the collateral.

Further, any developments or events that adversely affect the real estate sector, including without limitation, the introduction of any stringent norms regarding construction, floor space index or other compliances, may result in diminishing the value of our collaterals which may in turn have a material adverse effect on our business, financial condition and results of operations if any of our customers default in repayment of their loans. Also, if any of the projects which form part of our collateral are delayed for any reason, it may affect our ability to enforce our security, thereby effectively diminishing the value of such security. There can be no assurance that we will be able to foreclose on collateral on a timely basis, or at all, and if we are able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to us which may result in a material adverse effect on our business, results of operations and financial condition.

**16. *As an NBFC-ND-SI, we extend products on pre-assessed loan-to-value ratios, and any negative events affecting the value of the underlying collateral could adversely affect our business and result of operations.***

Our lending products include affordable housing loans, budget housing loans, loans against property, secured business loans, microfinance loans, personal loans and are availed for working capital and other personal and business needs and construction of residential projects.

The loans extended *vide* aforementioned products, except microfinance loans and personal loans, and construction of residential projects are assessed through a loan-to-value ratio (“LTV”) against a pre-approved benchmark, prior to disbursement. Higher LTV loans possess an inherent risk with them, that requires constant monitoring and valuation of the underlying collateral. The value of this collateral is to a great extent determined by market sentiments. A downgrade in sentiments of the housing market simulated due to a decline of demand for real estate properties, changes in regulations or other trends or events, which negatively impact the real estate sector may reduce the underlying value of the collateral and consequently increase the LTV ratio higher as compared to the LTV ratio at the time of disbursement. This could lead to reduction in margin of percentage that the Company carries in situation of a stress sell-off of the collateral property. Failure to recover the expected value of collateral could expose the Company to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition.

**17. *We do not own the trademark and the logo associated with “Piramal” brand name. Consequently, our ability to use the trademark, name and logo may be impaired.***

We do not own the trademark and logo associated with “Piramal” brand name which we use in the course of our business operations and to conduct our operations, the brand is registered in the name of Piramal Corporate Services Private Limited (“PCSPL”), a wholly owned subsidiary of PEL. Our Company has entered into a trademark license and advisory services agreement dated September 3, 2018 with PCSPL (“**Trademark Agreement**”) for use of the “Piramal” trademark and the corporate logo which consists of “Gyan Mudra” icon, the “Piramal” name and the words “Knowledge Action Care Impact”. The Trademark Agreement is valid till March 31, 2026. If the Trademark Agreement is not renewed, we will not be able to use the trademark, name or logo in connection with our business and, consequently, we may be unable to capitalize on the brand recognition associated with the trademark. While we only use intellectual property registered in our name or pursuant to the Trademark Agreement, we may become subject to claims by third parties if we use slogans, names, designs, software or other such subjects in breach of any intellectual property rights registered by such third party. Any legal proceedings pursuant to such claims, or settlements thereunder, may divert management attention and require us to pay financial compensation to such third parties, as well as compel us to change our marketing strategies or brand names of our products and services, which could adversely affect our business, prospects, results of operation and financial condition.

**18. *The financing industry is becoming increasingly competitive, and our Company’s growth will depend on its ability to compete effectively.***

The sector in which our Company operates in is highly competitive and our Company faces significant competition from banks, HFCs and other NBFCs. Many of its competitors are large institutions, which may have larger customer base, funding sources, branch networks and capital compared to our Company. Certain of our Company’s competitors may be more flexible and better-positioned to take advantage of market opportunities. In particular, private banks in India and many of our Company’s competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalizing branches as well as the related operational costs. As a result of this increased competition, loans are becoming increasingly standardized and terms such as variable (or floating) rate interest options, lower processing fees and monthly reset periods are becoming increasingly common in the Indian financial sector. This competition is likely to intensify further as a result of regulatory changes and liberalization. These competitive pressures affect the industry in which our Company operates in as a whole, and our Company’s future success will depend, to a large extent, on its ability to respond in an effective and timely manner

to these competitive pressures. There can be no assurance that our Company will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive financial sector.

**19. *Our statutory auditors have highlighted certain matters of emphasis to their audit reports relating to our audited financial statements and unaudited financial statements, which may affect our future financial results.***

Our statutory auditors have highlighted certain matters of emphasis to their audit reports relating to our audited financial statements and limited review reports relating to our unaudited financial statements. There can be no assurance that our statutory auditors will not include further matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future financial years. Investors should consider the matters of emphasis and remark in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report on our financial statements in the future may also adversely affect the trading price of the NCDs.

Statement containing extracts from the respective auditor's reports on the audited standalone financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and Limited review report on the standalone financial results for the quarter ended June 30, 2023.

<b>Financial Year / Period Ended</b>	<b>Auditor's Name</b>	<b>Report Date</b>	<b>Information</b>	<b>Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company</b>	<b>Impact on financial position</b>
2020-21	Deloitte Haskins & Sells LLP	June 1, 2021	Emphasis of matter	As more fully described in note 2(b)(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.	The Company had created additional provisions for expected credit loss on its financial assets as at March 31, 2021, owing to the uncertainty surrounding the COVID 19 pandemic.

Statement containing extracts from the respective auditor's reports on the audited consolidated financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and Limited review report on the consolidated financial results for the quarter ended June 30, 2023

<b>Financial Year / Period Ended</b>	<b>Auditor's Name</b>	<b>Report Date</b>	<b>Information</b>	<b>Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company</b>	<b>Impact on financial position</b>
2020-21	Deloitte Haskins & Sells LLP	June 1, 2021	Emphasis of matter	As more fully described in Note 2(b)(i) to the Consolidated Financial statements, to assess the recoverability of certain assets, the Group has considered internal and external information in respect of the current and estimated future global including Indian economic indicators consequent to the global health pandemic. The actual impact of the pandemic may be different	The Group had created additional provisions for expected credit loss on its financial assets as at March 31, 2021, owing to the uncertainty surrounding the COVID 19 pandemic

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position
				from that considered in assessing the recoverability of these assets.	
2021-22	Deloitte Haskins & Sells LLP	May 26, 2022	Emphasis of matter	In case of one subsidiary, the Component auditors have drawn attention to matters stated in note 56(A)(ii) to the consolidated financial statements with respect to certain elements of business combination accounting as per Ind AS 103- Business Combination, for acquisition of Dewan Housing Finance Limited (DHFL) under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which PCHFL has merged into DHFL with effect from September 30, 2021.	Based on opinions obtained from legal and tax experts, the fair value of net assets taken over under reverse acquisition includes contingent tax liabilities of Rs 3,437 crores pertaining to income tax obligation of DHFL for the financial years ended 31 March, 2020 and 2021, recognized pursuant to uncertain tax positions relating to DHFL as on the implementation date. Further, based on the expert opinions, net deferred tax assets potentially amounting to Rs.6,209 crores relating to the fair value adjustments considered above have presently not been recognized due to uncertainty associated with allowability of such adjustments.
2022-23	Suresh Surana & Associates LLP and Bagaria & Co LLP	May 5, 2023	Emphasis of matter	In case of one subsidiary, their auditors have drawn attention to matters as stated in Note 66(ii) of the consolidated financial statements for the year ended March 31, 2023 with regards to:-  (a) approval of the resolution plan submitted by the erstwhile Piramal Capital & Housing Finance Limited ('ePCHFL') in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which ePCHFL had merged into DHFL with effect from 30 September 2021 (hereinafter referred to as 'the business combination'). As is more fully described in the aforesaid note, the aforesaid business combination had been given effect in the consolidated financial statement for the year ended 31 March 2022 in line with the accounting principles prescribed for reverse acquisition business combinations under Ind AS 103, Business Combinations, and other applicable Indian	As per merger scheme of DHFL, retail loans are grossed up by Rs. 7,734.98 Cores as on March 31, 2023 (March 31, 2022 - Rs. 11,370.49 Crores). ECL provisions are grossed up by Rs. 4,277 Crores (March 31, 2022 - Rs. 5,982 Crores) and balance gross up is being reflected under Fair Value Adjustment on Merger under Note 20 for Rs. 3,458 Crores as on March 31, 2023 (Rs. 5,388.49 Crores).  Based on opinions obtained from legal and tax experts, the fair value of net assets taken over under reverse acquisition includes contingent tax liabilities of Rs 3,437 crores pertaining to income tax obligation of DHFL for the financial years ended 31 March, 2020 and 2021, recognized pursuant to uncertain tax positions relating to DHFL as on the implementation date. Further, based on the expert opinions, net deferred tax assets potentially amounting to Rs.6,209 crores relating to the fair value adjustments considered above were not been recognized uptill 31 March 2022, due to

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position
				Accounting Standards, except to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021.  (b) opinion of legal and tax experts, the subsidiary company had not recognized certain deferred tax assets and had recognized a provision against contingent tax liabilities pertaining to income tax obligation of DHFL for the year ended 31 March 2020 and 31 March 2021, while determining the fair value of assets and liabilities acquired by way of the business combination. As explained in Note 66 (ii) to the accompanying consolidated financial statement during the year ended 31 March 2023, the subsidiary company received assessment order from Income Tax Department completing the assessment proceedings u/s 143(3) of the Income Tax Act, 1961 for the financial year ended 31 March 2021 wherein subsidiary company's submissions relating to uncertain tax position of DHFL were accepted by the assessing officer. Further, in view of the management of the subsidiary company, the tax assessment for the financial year ended 31 March 2020 is time barred. Accordingly, as disclosed in the said Note 58, the subsidiary company has reversed the contingent tax provision of Rs. 3,327.54 crores in the current year and disclosed the same as "Reversal of Tax Provision – Earlier Years" in the consolidated financial statements.	uncertainty associated with allowability of such adjustments. Based on the tax position taken by the Company, the potential unrecognised deferred tax assets as at March 31, 2023 stands at Rs. 4,120 Crores.  During the year ending 31 March 2023, one of the subsidiary company has reversed the contingent tax provision of Rs. 3,327.54 crores in the current year and disclosed the same as "Reversal of Tax Provision – Earlier Years" in the consolidated financial statements leading to reduction in profit after tax by the above amount in consolidated financial statements.
Q1 FY 23-24	Suresh Surana & Associates LLP and	July 28, 2023	Emphasis of matter	In case of Piramal Capital & Housing Finance Limited ("PCHFL"), wholly owned subsidiary, the Component auditors have drawn attention	During the financial year 2021-22, pursuant to the Resolution plan, as approved by the Mumbai bench of the Hon'ble National Company Law Tribunal, Piramal

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position
	Bagaria & Co LLP			with respect to approval of the resolution plan submitted by the erstwhile Piramal Capital & Housing Finance Limited ('ePCHFL') in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which ePCHFL had merged into DHFL with effect from 30 September 2021 (hereinafter referred to as 'the business combination'). The subsidiary, based on the opinion of experts, had not recognized certain deferred tax assets while determining the fair value of assets and liabilities acquired by way of the business combination. (Refer Note 7)	Capital & Housing Finance Limited ("PCHFL"), wholly owned subsidiary, merged into DHFL (Dewan Housing Finance Corporation Limited) to conclude acquisition on 30 September 2021 (Implementation Date). This business combination was treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103. Based on the expert opinion, net deferred tax assets potentially amounting to Rs. 6,209 crores relating to the fair value adjustments on acquisition have not been recognized due to uncertainty associated with allowability of such adjustments. Based on the tax position taken by the Company, the potential unrecognised deferred tax assets as at 30 June 2023 stands at Rs. 4,120 crores.
Q1 FY 23-24	Suresh Surana & Associates LLP and Bagaria & Co LLP	July 28, 2023	Emphasis of matter	In case of Piramal Capital & Housing Finance Limited ('PCHFL'), the Component auditors have drawn attention with respect to the requirement of compliance by the subsidiary with the Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 along with current status of such compliance. (Refer Note 8)	PCHFL is required to comply with Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions'). It had submitted a detailed business plan to the RBI in April and June 2022 detailing the roadmap to comply with the principal business criteria by 31 March 2024. Based on its submission, the RBI advised PCHFL to ensure compliance with the submitted business plan, as the same shall be monitored at regular intervals by the RBI and NHB. It is trailing in meeting committed PBC thresholds as at 30 June 2023. However, the management believes that PCHFL will be able to meet the required PBC thresholds latest by 31 March 2024. In order to achieve the above, PCHFL has changed its business strategy to shift focus majorly on housing finance loans and has decided to further reduce the Assets Under

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position
					Management (AUM) in wholesale lending business.

Statement containing extracts from the respective auditor's reports on the audited standalone financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position
NIL					

Statement containing extracts from the respective auditor's reports on the audited consolidated financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position								
2021-22	Deloitte Haskins & Sells LLP	May 26, 2022	Adverse Comments in CARO	<p>With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent/ Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the company</th> <th style="text-align: left;">CIN</th> <th style="text-align: left;">Nature of relationship</th> <th style="text-align: left;">Clause Number of CARO report with qualification or adverse remark</th> </tr> </thead> <tbody> <tr> <td>Piramal Fund Management Private Limited</td> <td>U67190MH2005 PTC154781</td> <td>Subsidiary</td> <td>Clause (vii)(a)</td> </tr> </tbody> </table>	Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark	Piramal Fund Management Private Limited	U67190MH2005 PTC154781	Subsidiary	Clause (vii)(a)	The Subsidiary has paid the statutory dues with the applicable interest & penalty on the delayed payments
Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark										
Piramal Fund Management Private Limited	U67190MH2005 PTC154781	Subsidiary	Clause (vii)(a)										

**20. *Significant fraud, system failure or calamities could adversely impact our Company's business.***

Our Company seeks to protect its computer systems and network infrastructure from physical break -ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our Company's computer systems and network infrastructure. Our Company employs security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although our Company intends to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our Company's business and its future financial performance. Although our Company takes adequate measures to safeguard against system - related and other frauds, there can be no assurance that it would be able to prevent frauds. Furthermore, our Company is exposed to many types of operational risks, including the risk of fraud or other misconduct by its employees and unauthorized transactions by its employees. Our Company's reputation may be adversely affected by significant frauds committed by its employees, customers, or outsiders.

**21. *Our Company is exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, agents, customers or third parties, which could harm our Company's results of operations and financial position.***

Our Company is exposed to many types of operational risks. Operational risks can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. In addition, some of our Company's transactions expose it to the risk of misappropriation or unauthorized transactions by its employees and fraud by its employees, agents, customers or third parties. Our Company's insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases which may adversely affect our Company's operations and profitability. Furthermore, our Company may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by its representatives and employees which could adversely affect its goodwill. In addition, some of our Company's collaterals which were provided for the loans may not be adequately insured and this may expose our Company to a loss of value for the collateral. As a result, our Company may not be able to recover the full value of the collateral. Any loss of value of the collateral may have a material adverse effect on our Company's profitability and business operations. In addition, collections for our retail business are primarily in cash, exposing us to certain operational risks. Such cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network.

While we have undertaken measures to detect and prevent unauthorized transactions, fraud or misappropriation, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We may also be party to criminal proceedings and civil litigation related to our cash collections.

**22. *We cannot assure you that we will be able to successfully execute our growth strategies, which could affect our operations, results, financial condition and cash flows.***

Our growth strategy includes continuing to cater to the underserved financial needs in the rural and semi-urban sector, diversification of our loan book, inorganic acquisitions. For further details, please see "*Our Business – Our Strategies*" on page 143 of this Draft Shelf Prospectus. We expect that our growth strategy will place significant demands on our management, financial and other resources. While we intend to pursue existing and potential market opportunities, our inability to manage our business plan effectively and execute our growth strategy could have an adverse effect on our operations, results, financial condition and cash flows.

In order to manage growth effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees, pursue new business, complete future strategic agreements or operate our business effectively. There can be no assurance that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations.

Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio. Any business that we acquire may have unknown or

contingent liabilities, and we may become liable for the past activities of such businesses. Furthermore, any equity investments that we undertake may be subject to market and liquidity risks, and we may be unable to realise any benefits from such investments, in a timely manner, or at all.

**23. *We have geographic concentration in certain cities and therefore are dependent on the general economic conditions and activities in these cities.***

As of March 31, 2023, 84.32% of our AUM was geographically concentrated in Maharashtra, Karnataka, Tamil Nadu and Delhi. Our concentration in these states/cities exposes us to any adverse geological, ecological, economic and/or political circumstances in these respective regions. If there is a sustained downturn in the economy of these regions or a sustained change in housing market in these regions for any reason, our financial position may be adversely affected.

**24. *Our Company's growth will depend on our Company's continued ability to access funds at competitive rates which is dependent on a number of factors including our Company's ability to maintain its credit ratings.***

As our Company is an NBFC-ND-SI in terms of applicable RBI regulations, its liquidity and ongoing profitability are primarily dependent upon its timely access to, and the costs associated with raising capital. Our primary sources of funding include term loans, issuance of non-convertible debentures, commercial paper, securitization and external commercial borrowings. The demand for such funds is competitive and our Company's ability to obtain funds at competitive rates will depend on various factors including our Company's ability to maintain positive credit ratings. Ratings reflect a rating agency's opinion of our Company's financial strength, operating performance, strategic position and ability to meet its obligations. We have been assigned (i) A1+ rating by CRISIL and A1+ rating by CARE for our ₹6,000.00 crore commercial paper; (ii) AA (Stable) rating by CARE and AA (Stable) rating by ICRA for our non-convertible debentures; (iii) AA (Stable) rating by CARE for our market-linked debentures; (iv) A1+ rating by ICRA for our short-term debt; (v) A1+ rating by CARE for our inter-corporate deposit; and (vi) AA (Stable)/ A1+ rating by CARE and AA(Stable)/A1+ rating by ICRA for our long-term/short-term fund based/non-fund based bank lines/facilities respectively. We believe that our ratings result in a lower cost of funds for us. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our borrowing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may adversely affect our business, financial condition, results of operations and cash flows. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings. A reduction or withdrawal of the ratings may also adversely affect the market price and liquidity of the non -convertible debentures and our Company's ability to access the debt capital markets. As a result, this would negatively affect our Company's net interest margin and its business. In addition, any downgrade of our Company's credit ratings could increase the possibility of additional terms and conditions being imposed on any additional financing or refinancing arrangements in the future. Any downgrade of our Company's credit ratings could also accelerate the repayment of certain of our Company's borrowings in accordance with the applicable covenants of its borrowing arrangements. Any such adverse development could adversely affect our Company's business, financial condition and results of operations.

As an NBFC, our Company also faces certain restrictions on its ability to raise money from international markets which may further constrain its ability to raise funds at attractive rates. While our Company's borrowing costs have been competitive in the past due to its ability to raise debt products, credit rating and our Company's asset portfolio, our Company may not be able to offer similar competitive interest rates for its loans if our Company is unable to access funds at an effective cost that is comparable to or lower than its competitors. This may adversely impact our Company's business and results of operations.

**25. *Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on our business and could affect our growth, margins and business operations.***

The RBI vide its Circular DBR.No.BP.BC.43/ 21.01.003/2016-17 dated December 1, 2016 and Circular DBR.No.BP.BC.31/21.01.003/2018-19 dated April 1, 2019, circular No. DBR.No.BP.BC.43/21.01.003/2018-19 dated June 3, 2019, as amended from time to time, and circular no. DOR.CRE.REC.No.77/21.04.172/2021-22 dated January 5, 2022 has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. These Circulars restricts bank's exposures to a single NBFC to 20% percent of their eligible capital base (Tier I capital). However, based on the risk perception, more stringent exposure limits in respect of certain categories of NBFCs may be considered by the banks. The bank's exposure to a group of connected NBFCs or group of connected counterparties having NBFCs in the group is restricted to 25 percent of their Tier I Capital. Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. This Notification limits a bank's exposure to NBFCs which consequently restricts our ability to borrow from banks.

This Notification could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.



26. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business, results of operations and financial condition.

27. ***We have contingent liabilities as at March 31, 2023, and our financial condition may be adversely affected if these contingent liabilities materialize.***

We have the following contingent liability and commitments as of March 31, 2023 which could adversely affect our business and results of operations.

Particulars	As on 31 March 2023
	(in ₹ crores)
<b>A. Contingent Liabilities:</b>	
<b>1. Claim against the Group not acknowledged as debt</b>	
-Others	9.61
<b>2. Others</b>	
i. Appeals filed in respect of disputed demands:	
Income Tax	
- where the Group is in appeal	408.90
- where the department is in appeal	321.05
Sales Tax	9.73
Central / State Exercise / Service Tax / Customs	61.83
Labour Matters	0.41
Stamp Duty	9.37
Legal Cases	17.97
ii. Guarantees provided by bank on behalf of Group	117.00
<i>Note: Future cash outflows in respect of 1 and 2(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.</i>	
<b>B. Commitments:</b>	
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	207.01
(b) Other commitments	20.76

28. ***Our investments are subject to market risk and our exposure to capital markets is subject to certain regulatory limits. Our Company may also be exposed to fluctuations in the market values of its investment and other asset portfolio.***

We invest our surplus funds out of our borrowings and operations in mutual funds and/or fixed income securities. These securities include government securities, bonds carrying sovereign guarantee, bonds issued by state governments or public sector enterprises, mutual fund investments, fixed deposits with banks and other fixed income securities. The value of these investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. Any decline in the value of the investments may have an adversely effect on our business, financial condition and results of operations. The financial markets' turmoil has adversely affected economic activity globally including India. Continued deterioration of the credit and capital markets may result in volatility of our Company's investment earnings and impairments to our Company's investment and asset portfolio. Further, the value of our Company's investments depends on several factors beyond its control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. Any decline in the value of the investments could negatively impact our Company's financial condition.

29. ***Our Company may face asset-liability mismatches which could affect its liquidity and consequently may adversely affect our Company's operations and profitability.***

A portion of our Company's funding requirements is met through short-term and medium-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial paper. However, a significant portion of our Company's assets (such as loans to its customers) have maturities with longer terms than some of its borrowings. Our Company may face potential liquidity risks due to varying periods over which our Company's assets and liabilities mature. Moreover, raising long-term borrowings in India has historically been challenging. Our Company's inability to obtain additional credit facilities or renew its existing credit facilities in a

timely and cost-effective manner to meet its maturing liabilities, or at all, may lead to gaps and mismatches between its assets and liabilities, which in turn may adversely affect our Company's liquidity position, and in turn, its operations and financial performance.

We regularly monitor our funding levels to ensure we are able to satisfy the requirement for loan disbursements and maturity of our liabilities. As is typical for NBFCs, we maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by long-term borrowings from banks and mutual funds, short and long-term general financing through the domestic debt markets and retained earnings, proceeds from securitization and equity issuances.

Our liquidity position may be adversely affected and we may be required to pay higher interest rates in order to meet our liquidity requirements in the future, which could have a material adverse effect on our business and financial results. Any non-compliance with mandatory AML and KYC policy could expose us to additional liability and harm our business and reputation.

As of June 30, 2023, our Company's borrowings on a standalone basis were ₹5,877.69 crores. While we maintained a healthy ALM profile with positive gaps across all time periods in Fiscal 2023, within the norms stipulated by the RBI, we cannot assure you that we will always be able to maintain a healthy ALM profile. Degradation in our ALM profile will have an impact on our liquidity, cash flows, and results of operations.

**30. *A decline in our Company's capital adequacy ratio could restrict its future business growth.***

NBFCs are required to maintain a minimum CRAR norm of 15.00% of the risk weighted assets and risk adjusted value of off-balance sheet items before declaring any dividends. As of March 31, 2023, our Tier I CRAR was 29.06% and our Tier II CRAR was 1.25% on a standalone basis, as against the statutory minimum capital adequacy of 15.00% currently prescribed by RBI. If our Company continues to grow its loan portfolio and asset base, it will be required to raise additional Tier I and Tier II Capital (as per the RBI Regulations) in order to continue to meet applicable capital adequacy ratios with respect to its business. There can be no assurance that our Company will be able to raise adequate additional capital in the future on terms favourable to our Company, in a timely manner, or at all and this may adversely affect the growth of our Company's business.

**31. *Our business processes a large amount of data, including personal data, and the improper collection, hosting, use or disclosure of data could harm our reputation and have an adverse effect on our business, financial condition, results of operations and cash flows.***

Our business processes a large quantity of personal data (with our users' consent) and analyses this data to generate user and user group profiles. Our privacy policies concerning the collection, use and disclosure of personal data (and users' rights thereto) are consented to by our customers and made accessible for their reference at any point in time. We face risks inherent in handling and protecting a large volume of data, especially user data. In particular, we face several challenges relating to data security and privacy, including but not limited to:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties, data leakage, fraudulent behaviour or improper use by our employees;
- addressing concerns, challenges, negative publicity and litigation related to data security and privacy, collection, use and actual or perceived data sharing (including sharing among our own businesses, with business partners, vendors or regulators), and other factors that may arise from our existing businesses or new businesses and new technology; and
- complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of personal data, including requests from data subjects.

The improper collection, use or disclosure of our user data could result in a loss of customers, business, partner financial institutions and other potential participants on assisted mobile application, loan originating system, loan management system, underwriting engine, collections portal, CRM portal, loss of confidence or trust in the aforesaid apps, litigation, regulatory investigations, penalties or actions against us, significant damage to our reputation, and have an adverse effect on our business, financial condition, results of operations and cash flows. Moreover, we share a limited amount of user data with third-party service providers in accordance with applicable laws and regulations and subject to stringent data security and privacy requirements. We also rely on certain third-party service providers in relation to the sourcing of data for potential customers. If such third-party service providers engage in activities that are negligent, fraudulent, illegal or otherwise harm the trustworthiness and security of the aforesaid apps, including by improper disclosure or use of user data, or if our business partners otherwise fail to meet their data security and privacy obligations, we may be subject to user complaints and suffer reputational harm, even if the actions or activities are not related to, attributable to or caused by us, or within our control. Further, while no regulatory or legal action has been

taken against us in relation to such instances in the past, we cannot assure you that we will not be subject to any regulatory or legal action for such instances in the future.

32. ***We may experience difficulties in geographically expanding our business and the products offered. We may also face difficulties and incur additional expenses in operating in rural and semi-urban markets, where infrastructure may be limited.***

Our Company has experienced geographical expansion over the past few years. The addition of branches on account of acquisition of DHFL has helped to enhance and strengthen our pan-India distribution network. As of June 30, 2023 the Company has 424 conventional branches, including 136 microfinance branches across 25 states and union territories across India. However, the Company's past growth is not indicative of our future performance or potential growth.

We cater to customers in rural and semi-urban markets, which may have limited infrastructure, particularly for transportation and electricity. At our branches in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, and implementing technology measures. We may also face increased costs in conducting our business and operations in these markets, such as network costs. We cannot make assurances that such costs will not increase in the future as we expand our network in rural and semi-urban markets, which could adversely affect our profitability.

33. ***We may introduce new products for our customers, and there is no assurance that our new products will be profitable in the future.***

We may introduce new products and services in our existing lines of business. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or management focus on these new products. If we fail to develop and launch these products and services successfully, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn adversely affect our business and results of operations.

34. ***We have significant exposure to certain borrowers. Any negative developments impacting the ability of such borrowers to perform their obligations under their existing financing agreements with us may adversely affect our business, financial performance and results of operations.***

As of March 31, 2023, our Company's top 20 borrowers represented 53.82% of our total loan book on a standalone basis. We may continue to have significant concentration of loans to these borrowers. Any negative developments impacting the ability of such borrowers to perform their obligations under their financing agreements with us, including any defaults on their obligations as a result of their bankruptcy, competition within their respective sectors, lack of liquidity, operational failure, government or other regulatory intervention, among others, may adversely affect our business, financial performance and results of operations.

35. ***We have not entered into any definitive arrangements to utilise the net proceeds and the fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.***

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, financing and for repayment /prepayment of interest and principal of existing borrowings of our Company and general corporate purposes. For further details, see the section "Objects of the Issue" on page 86. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Our funding requirements are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time. Any such change in our plans may require rescheduling of our current plans or discontinuing existing plans and an increase or decrease in the fund requirements for the objects, at the discretion of the management. Pending utilization for the purposes described above, we intend to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in liquid (not equity) mutual funds. Such investments would be in accordance with the investment policies approved by our Board from time to time. The management will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

36. ***If the corporate undertakings provided by us in our assignment of receivables transactions are invoked, it may require outflow in respect of these undertakings and adversely affect our net income.***

We have in the past, assigned and/or securitized a portion of the receivables from our Loan Book to banks and other institutions. The assignment and/or securitization transactions were conducted on the basis of our internal estimates of our funding requirements. Any change in the applicable government regulations in relation to assignments/securitizations by NBFCs could have an adverse impact on our assignment/securitization program. Under some of the assignment and pass through certificate transactions that we undertake, we provide credit support in the form of corporate guarantee and/or cash collateral. In the case of increase in losses on such transactions, such guarantee or the cash collateral may be enforced.

37. ***If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, see “*Our Business – Risk Management*” on page 155 of this Draft Shelf Prospectus. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Further, some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to effectively mitigate our risk exposures in particular market environments or against particular types of risk.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. Please see “*Risk Factors - High levels of customer defaults and the resultant non-performing assets could adversely affect our Company's business, financial condition, results of operations and future financial performance*” on page 20 of this Draft Shelf Prospectus.

If we fail to effectively implement our risk management policies, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

38. ***Our branches located in various districts in India are either owned by us or leased by us. Any termination or failure by us to renew the lease/ leave and license agreements in a favorable and timely manner, or at all, could adversely affect our business and results of operations.***

Our registered office and corporate office located at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400 070 is leased by us. In addition, our branches located in various districts in India are either owned by us or leased by us. The lease agreements can be terminated, and any such termination could result in any of our offices being shifted or shut down. Some of the lease/ leave and license agreements may have expired in the ordinary course of business and we are currently involved in negotiations for the renewal of these lease/ leave and license agreements. While we have not faced major issues renewing the leases of our offices in the past, if these lease/ leave and license agreements are not renewed or not renewed on terms favorable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. Further, some of our lease/ leave and license agreements may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business.

39. ***Our business and operations significantly depend on senior management and key employees and may be adversely affected if we are unable to retain them. Our business is dependent on relationships with our clients established through, amongst others, our branches. Closure of branches or loss of our key branch personnel may lead to damage to these relationships and a decline in our revenue and profits.***

Our business and operations largely depend on the continued services and performance of our senior management and other key employees and our ability to attract and retain such personnel. Considering the compact nature of our management team, our ability to identify, recruit and retain our employees is critical. As common to the non-banking finance industry, we also face a continuing challenge to recruit and retain a sufficient number of suitably skilled

personnel, knowledgeable in sectors to which we lend. There is significant competition in India for such personnel, and it may be difficult to attract, adequately compensate and retain personnel we need in the future. Inability to attract and retain appropriate and adequate managerial personnel, or the loss of key personnel could adversely affect our business, prospects, results of operations, financial condition. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. The loss of the services of our senior members of our management team and key employees could seriously impair our ability to continue to manage and expand our business efficiently and adversely affect our business, results of operations and financial condition. Further, we also do not maintain any key man insurance policies, and as a result, we may be unable to compensate for the loss of service of our key personnel. Our business is dependent on the key branch personnel who directly manage client relationships. We encourage dedicated branch personnel to service specific clients since we believe that this leads to long-term client relationships, a trust based business environment and, over time, better cross-selling opportunities. Our business may suffer materially if a substantial number of branch managers either become ineffective or leave us. If we fail to effectively retain our senior management, key employees, and branch personnel, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

**40. *We have securitized/ assigned a portion of the receivables from our loan portfolio to banks and other institutions. Any deterioration in the performance of any pool of receivables assigned to banks and other institutions or any change in RBI or government policies may adversely affect our results of operations, financial condition and cash flows.***

We have securitized and assigned through bilateral transactions a significant portion of the receivables from our loan portfolio to banks and other institutions. These securitization and assignment transactions are conducted on the basis of internal estimates of our funding requirements, and may vary from time to time. Under Ind AS 109, assets transferred under securitization do not meet de-recognition criteria and the same will therefore be retained in the books and amount received from the securitization trust will be treated as borrowing. The assignment transactions entered into by the Company satisfy de-recognition criteria under Ind AS, consequently, upfront gain is recognised on bilateral assignments. Any change in RBI or other government regulations in relation to bilateral direct assignments and securitizations by NBFCs could have an adverse impact on our assignment and securitization plans in the future.

Securitization and assignment transactions help us in maintaining our capital adequacy, are considered as a true sale as per RBI guidelines relating to securitization and direct bilateral assignment and also provide us with relief on capital. It also helps in generation of income by way of collection fees and agreed spread. The counterparties to securitization transactions require us to provide credit enhancement through fixed deposits or bank guarantees. Credit enhancements enable us to improve our credit worthiness. We have outstanding credit enhancement and outstanding bank guarantees as of March 31, 2023. In the event a counterparty does not realize the receivables due under such loan assets, it could claim recourse through such credit enhancement for an amount up to the first loss risk, which could adversely affect our results of operations, cash flows and financial condition. Furthermore, any recourse to such credit enhancement or invocation of bank guarantees may also result in our inability to securitize further pools of assets.

**41. *Our Audited Financial Statements FY 23 are not comparable with the Audited Financial Statements FY 2022 and Audited Financial Statements FY 2021.***

Our Audited Financial Statements FY 23 are not comparable with the Audited Financial Statements FY 2022 and Audited Financial Statements FY 2021, pursuant to the Scheme and change in format of Financial Statements. For details, please see “*Certain Conventions, Use of Financial, Industry and Market Data and Currency Presentation - Presentation of Financial Statements*” on page 17. Accordingly, reliance by prospective investors to the Issue on such unaudited financial information shall be limited.

**42. *We have in this Draft Shelf Prospectus included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Net worth, Financial Assets (excluding cash and cash equivalents) and Investments, Non-Financial Assets (excluding property, plant and equipment and other intangible assets), Financial Liabilities (excluding debt securities, borrowing (other than debt securities and subordinated liabilities) and Total Debt/Total Equity have been included in this Draft Shelf Prospectus which are supplemental measures of our performance and liquidity that is not

required by, or presented in accordance with Ind-AS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses. Many financial services businesses provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles and should not be considered in isolation or constructed as an alternative to cash flows, profit/(loss) for the years/period or any other measures of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind-AS, Indian GAAP, IFRS and US GAAP. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance are not standardized terms and may not be computed on the basis of any standard methodology that is applicable across the industry. Therefore, such non-GAAP measures may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks or financial institutions in India or elsewhere.

**43. *This Draft Shelf Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.***

This Draft Shelf Prospectus includes certain unaudited financial information in relation to our Company, for the three months ended June 30, 2023, in respect of which the Statutory Auditors of our Company have issued their respective Limited Review Report dated July 28, 2023. As this financial information has been subject only to limited review as required by regulation 52(2) of SEBI LODR Regulations and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India, and not to an audit. Accordingly, reliance by prospective investors to the Issue on such unaudited financial information shall be limited.

**44. *Our lending operations involve cash collection which may be susceptible to loss or misappropriation or fraud by our employees. This may adversely affect our business, operations and ability to recruit and retain employees.***

Our lending and collection operations involve handling of cash, including collections of instalment repayments in cash in certain cases. Cash collection exposes us to risk of loss, fraud, misappropriation or unauthorized transactions by our employees responsible for dealing with such cash collections. In addition, we may be subject to regulatory or other proceedings in connection with any such unauthorized transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance. In addition, given the high volume of transactions involving cash processed by us, certain instance of fraud and misconduct by our employees or representatives may go unnoticed for some time before they are identified and corrective actions are taken. Even when we identify instance of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, there can be no assurance that we will recover any amounts lost through such fraud or other misconduct. While we have internal controls in place to minimize the likelihood of such frauds, there can be no assurance that these are sufficient and will be so in the future.

In addition to the above, our employees operating in remote areas may be required to transport cash due to lack of local banking facility. In the event of any adverse incident, our ability to continue operations in such areas will be adversely affected and our employee recruitment and retention efforts may be affected, thereby affecting our growth and expansion. In addition, if we determine that certain areas of India pose a significantly higher risk or crime or instability, our ability to operate in such areas will be adversely affected.

**45. *Our Company's reliance on any misleading or misrepresented information provided by potential customers or counterparties or an inaccurate credit appraisal by our Company's employees may affect its credit judgments, as well as the value of and title to the collateral, which may adversely affect its reputation, business and results of operations.***

In deciding whether to extend credit or enter into other transactions with customers and counterparties, our Company may rely on information furnished to it by or on behalf of customers and counterparties, including financial statements and other financial information. Our Company may also rely on certain representations in relation to the accuracy and completeness of that information as well as independent valuation reports and title reports with respect to the collateral. In addition, our Company may rely on reports of the independent auditors in relation to the financial statements. Moreover, our Company has implemented Know Your Customer ("KYC") checklist and other measures to prevent money laundering. Our Company conducts reference check from existing lenders, CIBIL check, other compliance checks prior to lending to wholesale customers. There can be no assurance that information furnished to our Company by potential customers and any analysis of such information or the independent checks and searches will return accurate results, and our Company's reliance on such information may affect its judgement of the potential customers' credit worthiness, as well as the value of and title to the collateral, which may result in our Company having to bear

the risk of loss associated with such misrepresentations. In the event of the ineffectiveness of these systems, our Company's reputation, business and results of operations may be adversely affected.

Our Company may also be affected by the failure of its employees to adhere to the internal procedures and an inaccurate appraisal of the credit or financial worth of its clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our Company's books of accounts. In the event our Company is unable to mitigate the risks that arise out of such lapses, our Company's business and results of operations may be adversely affected.

**46. *The technology-driven underwriting, risk management and collection processes on which our Company relies, may not be able to effectively identify, monitor or mitigate the risks in our lending operations.***

Our technology-driven underwriting, risk management and collection processes enable our lending operations. If any of these decision-making systems contain programming or other errors, the criteria or parameters used for the analysis of customers credit profiles are inaccurate, the risk management models can become flawed or ineffective or the customer insights developed or received for credit assessment may become incorrect or stale, the credit assessment process related to our loans could be negatively affected, resulting in incorrect approvals, incorrect denials of loans, mispriced loans or biased rejection rates for potential customers. If any of the foregoing were to occur, the performance of our credit assessment will be compromised. As a result, our business, brand, reputation, results of operations and financial condition may be adversely affected.

**47. *Our Company may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation.***

Our Company is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. Our Company, in the course of its operations, runs the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls customary in India to prevent the occurrence of these risks. Although our Company believes that it has adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that our Company will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties. Our Company, in certain of its activities and in pursuit of its business, runs the risk of inadvertently offering its financial products and services ignoring customer suitability and appropriateness despite having a KYC and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our Company's business and reputation.

**48. *Our Company's insurance coverage may not adequately protect our Company against losses which could adversely affect our Company's business, financial condition and results of operations.***

Our Company maintains insurance coverage that we believe is adequate for its operations. Our Company's insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. Principal types of coverage under our Company's insurance policies include directors' and officers' liability insurance, general liability insurance policy, cyber liability insurance policy, group term life insurance policy, contractors all risk insurance policy, burglary policy. However, our Company cannot assure you that the terms of its insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Our insurance policies may be insufficient to cover our economic losses. Any successful assertion of one or more large claims against our Company that exceeds our Company's available insurance coverage or changes in our Company's insurance policies, including any increase in premium or any imposition of larger deductibles or co-insurance requirements could adversely affect our Company's business, financial condition and results of operations.

**49. *We have entered into a number of related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest.***

We have entered into a number of related party transactions, within the meaning of Ind AS 24, and may continue to enter into related party transactions, which may involve conflict of interest. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For further details, please refer to the statement of related party transactions in "Financial Statements – Related Party Transactions" on pages 209 of this Draft Shelf Prospectus.

50. ***Our Company's Promoter, Directors and related entities may have interests in a number of entities which are in businesses similar to our Company's business and this may result in potential conflicts of interest with our Company.***

Certain decisions concerning our Company's operations or financial structure may present conflicts of interest among our Company's Promoter, other shareholders, Directors, executive officers, and the holders of Equity Shares. Our Company's Promoter, Directors and related entities may have interests in various entities that are engaged in businesses similar to our Company. Commercial transactions in the future between our Company and related parties may result in conflicting interests. Conflicts of interest may arise out of common business objectives shared by our Company, and the related entity for our Company's Promoter, Directors. Our Company's Promoter, Directors and their related entities may compete with our Company and have no obligation to direct any opportunities to our Company. Our Company cannot provide any assurance that these or other conflicts of interest will be resolved in an impartial manner.

51. ***Certain supporting documents in connection with the biographies of the directors included in the section "Our Management" of this Draft Shelf Prospectus are unavailable.***

Certain documents supporting the information included in this Draft Shelf Prospectus with respect to previous work experience, education background, achievements of the directors, disclosed in the sections titled "Our Management" on page 164 may not be available. Accordingly, reliance has been placed on affidavits, declarations and undertakings furnished by such directors to us and the Lead Managers to disclose details of their previous work experience, qualification and other details in this Draft Shelf Prospectus. Neither we, nor the Lead Managers have been able to independently verify these details prior to inclusion in this Draft Shelf Prospectus. Further, there can be no assurances that our Directors will be able to trace the relevant documents pertaining to their previous work experience or other untraceable details in future, or at all.

52. ***Statistical and industry data in this Draft Shelf Prospectus is derived from the CRISIL Report. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL Report may be inaccurate, incomplete or unreliable.***

This Draft Shelf Prospectus includes information that is derived from the report titled "Market Intelligence and Analytics - NBFC Report" dated April 2023 prepared and issued by CRISIL Limited. (the "CRISIL Report"). The CRISIL Report is subject to various limitations and is based on certain subjective assumptions. While we have taken reasonable care in the reproduction of the information from the CRISIL Report, neither our Company nor the Lead Managers nor any of our or the irrespective affiliates or advisors or any other person connected with the Issue has independently verified third party and industry related data and statistics obtained from the CRISIL Report. While we have no reason to believe the data and statistics in the CRISIL Report are incorrect, we cannot assure you that they are accurate, complete or reliable and, therefore, we make no representation or warranty, express or implied, as to the accuracy, completeness or reliability of such data or statistics. Further, there can be no assurance that such data and statistics are stated or compiled on the same basis or with the same degree of accuracy as maybe the case in other reports. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Shelf Prospectus.

53. ***If we fail to integrate our artificial intelligence capabilities in our operations, it could adversely affect our business growth and results of operations.***

We are in the process of undertaking initiatives to employ the use of artificial intelligence ("AI") in our operations, which we believe would help build predictive models across credit, sales, collections and risk functions. Nevertheless, we may face technical challenges that adversely affect our ability to integrate such AI capabilities in our operations. Further, we may face operational difficulties if our AI capabilities malfunction. Failure to develop and integrate AI capabilities into our operations could create operational difficulties and have an adverse effect on our business growth and results of operations.

54. ***Certain of our documents may bear higher stamp duty than we have paid and as a result, our cash flows and results of operations may be adversely affected.***

In relation to assignment/ securitization transactions executed by us in relation to our Loan Book, we have entered into certain documentation, wherein we have, agreed to bear all costs in relation to stamp duty payable in respect of the assignment/ securitization documents. Most of these transactions involve loans (and underlying mortgages) situated across India, and not just the jurisdiction where the documents in relation to the assignment/ securitization are stamped. If any of the transaction documents in relation to these assignment/ securitization transactions, are for any reason, taken out of the state in which stamp duty has been paid, including for registration of the same in the state where the underlying property is situated, there may be an additional stamp duty implication us, to the extent of the difference



between the stamp duty payable in such state and the stamp duty already paid. Any such liability may have a financial impact on our cash flows and results of operations.

55. ***We are dependent on government institutions and agencies to register our collateral/ charge. Our inability to register the collateral for the loans we disburse or create a charge on the assets we finance could adversely affect our business and results of operations.***

As an investment and credit company, creation of charge on assets that we finance is critical for our operations. For instance, we rely on the Road Transport Authority (“**RTO**”) for the vehicle loans financed by us. In a number of locations at RTOs across India, the processes are yet to be digitized. Similarly, in the Loan Against Property and Home Loans segment, we are dependent on the relevant sub-registrar’s office to register the property and create a charge on the property. Processes at such sub-registrar’s offices are manual and property documentation is yet to be digitized. Further, we are also required to register any charges created with the Central Registry of Securitization Asset Reconstruction and Security Interest of India. If customers whose vehicles and properties are yet to be registered, default on their obligations, we face a risk of loan losses and our business, financial condition, results of operations and cash flows could be adversely affected.

56. ***We may be required to bear additional tax liability for previous assessment years, which could adversely affect our financial condition.***

According to extant guidelines from the RBI, an NBFC is not permitted to recognize income if the amount due in respect of a loan has not been paid by the borrower for 90 days or more and such amount is considered an NPA. However, under Section 43D of Income-tax Act, 1961 (“**IT Act**”) prescribes that income by way of interest in relation to certain categories of bad or doubtful debts will be chargeable to tax in the year in which it is credited to the profit and loss account or in the year in which it is actually received, whichever is earlier.

The categories of bad or doubtful debts for the purpose of Section 43D are prescribed under Rule 6EA and Rule 6EB of the Income Tax Rules which are different from the classification of NPAs provided by extant guidelines of the RBI in force at present. This may result in an anomalous situation concerning the recognition of income for certain category of loans/ debts accounts under the IT Act via-a-vis the extant guidelines from the RBI.

While we have been following the guidelines of the RBI on income recognition, the income-tax department may contend that the interest income on such NPAs needs to be recognised on periodic basis and such recognition cannot be deferred. Accordingly, the department may assess a higher income and raise tax demand. We believe that the stand taken by the Company as regards recognition of interest on such NPAs is in accordance with the provisions of the IT Act and if the department contends otherwise, the Company has a fair chance of success at higher appellate authorities.

57. ***The Bankruptcy Code in India may affect our rights to recover loans from borrowers.***

The Insolvency and Bankruptcy Code, 2016 (“**Bankruptcy Code**”) was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process. In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Bankruptcy Code provides a 180-day timeline which may be extended by 90 days when dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 66% of voting share of financial creditors, which requires sanction by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor’s assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees rank at par with those owed to secured creditors, and thereafter the debts owed to unsecured creditors shall be paid. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors for any amount unpaid following the separate enforcement of security interest. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realize their security interests in priority. Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company’s ability to recover our loans from the borrowers and enforcement of our Company’s rights will be subject to the Bankruptcy Code.

**58. *Failure to maintain effective internal control over financial reporting in the future, there may be an adverse impact on the accuracy and timing of our financial reporting.***

We have taken steps to enhance our internal controls commensurate to the size of our business, primarily through the formation of a designated branch audit and inspection team. However, certain matters such as fraud and embezzlement cannot be eliminated entirely given the cash nature of our business. While we expect to remedy such issues, we cannot assure you that we will be able to do so in a timely manner, which could impair our ability to accurately and timely report our financial position, results of operations or cash flows.

**59. *We rely on third party external vendors to whom we have outsourced certain of our operations. If these third parties fail to perform their obligations, it could adversely affect our business and cause us financial loss, which may not be recoverable from such third-party in full or at all.***

Our Company is dependent on various external vendors for the implementation of certain elements of its operations, including implementing information technology infrastructure and hardware, industry standard commercial off-the-shelf products, networking, and back-up support for disaster recovery. Our Company is, therefore, exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to it (or will be subject to the risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our Company's external vendors or service providers could materially and adversely affect its business, results of operations and cash flows.

**60. *Our Company's ability to assess, monitor and manage risks inherent in our Company's business differs from the standards of some of its counterparts.***

Our Company is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our Company's risk management is limited by the quality and timeliness of available data. Our Company's hedging strategies and other risk management techniques may not be fully effective in mitigating its risks in all types of market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are derived from the observation of historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the indication based on historical measures. Other risk management methods depend on an evaluation of information regarding markets, customers or other matters. This information may not be accurate, complete, up-to-date or properly evaluated. The management of operational, legal or regulatory risk requires, among other things, proper policies and procedures to record and verify a number of transactions and events. Although our Company has established these policies and procedures, they may not be fully effective.

Our Company's future success will depend, in part, on our Company's ability to respond to new technological advances and emerging market standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that our Company will be able to successfully implement new technologies or adapt its transaction processing systems in accordance with the requirements of customers or emerging market standards.

**61. *Negative publicity could damage our reputation and adversely impact our business and financial results.***

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent to our business. The reputation of the non-banking financial industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the non-banking finance industry generally or us specifically could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. While we have developed our brand and reputation over our history, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity or attract regulatory investigations. Our business depends on the trust our customers place in us and our brand, and any failure to maintain, protect, enhance and promote such trust would adversely affect our business, financial condition, results of operations and cash flows. Negative publicity can result from our own or our third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. Although we take steps to minimize reputational risk in dealing with customers and other constituencies, we, as a large financial services organisation with a high industry profile, are inherently exposed to this risk.

Any damage to our brand or our reputation may result in withdrawal of business by our existing customers, loss of new business from potential customers.

## External risks

### **62. *We face risks related to public health epidemics and pandemics in India and abroad.***

Our business could be materially and adversely affected by the outbreak of public health epidemics, or the fear of such an outbreak, in India or elsewhere. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and have confirmed cases of diseases including the highly pathogenic ones such as H7N9, H5N1 and H1N1 strains of influenza in birds and swines and more recently, the COVID-19 virus, and monkey pox virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. The COVID-19 outbreak across the world has affected the world economy including India. However, in recent times the industry is showing signs of revival signaling a slow but steady return of growth of economy. Any slowdown or perceived slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance and results of operations.

The Indian economy was impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID-19 pandemic, on NBFC's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government, RBI and other regulators to mitigate the economic impact and foster speedier growth. Any of these factors could have a material adverse effect on our results of operations and financial condition, including its revenues, costs structure, liquidity, cash flows, asset quality and growth.

### **63. *India's existing credit information infrastructure may cause increased risks of loan defaults.***

All our business is located in India. India's existing credit information infrastructure may pose problems and difficulties in running a robust credit check on our borrowers. We may also face difficulties in the due diligence process relating to our customers or to any security or collateral we take in relation to our loans. We may not be able to run comprehensive searches relating to the security and there are no assurances that any searches we undertake will be accurate or reliable. Hence, our overall credit analysis could be less robust as compared to similar transactions in more developed economies. Any inability to undertake a comprehensive due diligence or credit check might result in an increase in our NPAs and we may have to increase our provisions correspondingly. Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations and cash flows.

### **64. *Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.***

Our business is highly dependent on Indian and international markets and economic conditions. Such conditions in India include fluctuations in interest rates; changes in consumer spending; the level of consumer confidence; housing prices; corporate or other scandals that reduce confidence in the financial markets, among others. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates, investor sentiment, inflation, the availability and cost of capital and credit, and the degree to which international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions can directly and indirectly affect demand for our lending finance and other financial products or increase the cost to provide such products. In addition, adverse economic conditions, such as declines in housing values, could lead to an increase in mortgage and other home loan delinquencies and higher write offs, which can adversely affect our earnings.

Global financial markets were and continue to be extremely volatile and were materially and adversely affected by a significant lack of liquidity, decreased confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment, declining home prices and erosion of consumer confidence. These factors have contributed to and may continue to adversely affect our business, results of operations, cash flows and financial condition.

### **65. *Instability of global and Indian economies and banking and financial sectors could affect our liquidity, which could have a material adverse effect on our business, financial condition and results of operations.***

The credit markets in India have faced significant volatility, dislocation and liquidity constraints in the past. The instability in the Indian credit markets has in the past resulted from significant write downs of asset value of financial institutions including banks (primarily in the public sector), housing finance companies and non-banking financial companies. Any protracted instability in the Indian credit markets or other macro-economic factors which may impact the overall liquidity available in the Indian credit markets in general or the amount of credit available to non-banking financial companies in particular, could adversely impact our ability to raise funds in a time-bound manner and at commercially acceptable terms. Non-availability of credit may lead to disruption in our business, including asset-

liability mismatches and an inability to grow our business, and may require us to seek alternate sources of funding, which may not be available on commercially acceptable terms or at all.

**66. *Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.***

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders funds and the market price of our NCDs.

**67. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which could adversely affect our business.

India has also witnessed civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our NCDs.

**68. *Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of the monsoon over the course of past few years affected sowing operations for certain crops. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.

**69. *Any downgrading of India's credit rating or outlook by an international rating agency could have a negative impact on our business.***

Any adverse revisions to India's credit ratings or outlook for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

**70. *Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.***

There is no assurance that the liberalization policies of the Government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the Government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

**71. *Companies operating in India are subject to a variety of central and state government taxes and surcharges.***

Tax and other levies including stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India (as applicable to us), which includes a surcharge on the tax and a health and education cess on the tax and the surcharge.

The central or state government may in the future increase the corporate income tax or surcharge/cess it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations and profitability.

**72. *Financial instability in other countries could disrupt our business.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations, cash flows and financial condition.

**Risks related to the Issue and NCDs**

**73. *Security may be insufficient to redeem the debentures.***

The NCDs to be issued pursuant to the Issue will be secured by creating a first pari-passu charge by way of hypothecation on the present and future receivables, including cash, cash equivalents and liquid investments of the Company to the extent of 1.00 times of the amount outstanding towards principal and interest payable on NCDs. In the event that the Company is unable to meet its payment and other obligations towards investors under the terms of the NCDs, the Debenture Trustee may enforce the Security in respect of the NCDs as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the NCDs will be subject to (i) the market value of the Security, (ii) finding willing buyers for the Security at a price sufficient to repay the amount payable to Debenture Holder(s)' under the NCDs. The value realised from the enforcement of the transaction security may be insufficient to redeem the NCDs.

There may be fluctuations in the market values of the assets over which security has been provided in respect of loans provided by the Company, which could affect the Company's liquidity and reduce the Company's ability to enforce the security in terms of Security Documents, and consequently affect the Company's result of operations and financial condition. The Company may not accurately identify changes in the value of assets over which security has been provided caused by changes in market prices, and the Company's assessments, assumptions or estimates may prove inaccurate.

**74. *Security provided for the NCDs as part of the Issue, may not be enforceable if the security provided for the NCDs as part of the Issue is classified as "Assets" under the IT Act and may be void as against any claim in respect of any other sum payable by our Company.***

Under Section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, our Company is required to obtain prior consent of the assessing officer to create the security provided for the NCDs as part of the Issue to the extent classified as 'Assets' under Section 281 of the IT Act. We have made an application to the relevant assessing officer seeking such prior consent on July 13, 2023. If (i) such application is rejected, and (ii) if any proceedings have been commenced or initiated by the assessing officer before the date of such security creation, the security provided for the Issue (only to the extent covering assets classified as 'Assets' under Section 281 of the IT Act) may be subordinated to the claims of the tax authorities under the IT Act. However, a transfer that is a 'bona fide transaction' is typically seen as a valid defence against such claims of tax authorities. Also, in case of any action under the IBC, debts due to the central government are payable only after the debts due to secured creditors are fully paid.

**75. *The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value***

***from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.***

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, inter alia, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% security cover for the NCDs and the interest thereon and it is the duty of the debenture trustee to monitor that the security is maintained. The realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs and the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. A failure or delay recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

**76. *Trading of the NCDs may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.***

The Stock Exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Stock Exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and Stock Exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

**77. *Investors may be subject to taxes arising on the sale of the NCDs.***

Sale of NCDs by any holder may give rise to tax liability, under Indian taxation laws. Investors and or subscribers are advised to consult their own tax consultant with respect to the specific tax implications arising out of sale of the NCDs. Further, tax deductible at source is applicable on interest. For details, please see “*Statement of Possible Tax Benefits Available to the Debenture Holders*” on page 89.

**78. *The Issuer, being a listed company is not required to maintain a debenture redemption reserve (“DRR”).***

Our Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited. Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a listed company is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re- payment of the principal and interest on the NCDs.

**79. *Any downgrading in credit rating of our NCDs may affect the trading price of our NCDs.***

The NCDs proposed to be issued pursuant to this Issue have been rated [ICRA]AA (Stable) (Double A; Outlook: Stable) by ICRA Limited for an amount of up to ₹ 3,000 crores by way of its letter dated June 27, 2023 and rated CARE AA; Stable (Double A; Outlook: Stable) by CARE Ratings Limited for an amount of up to ₹ 3,000 crores by way of its letter dated August 1, 2023. We cannot guarantee that these ratings will not be downgraded. These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may lower the trading price of the NCDs and may also affect our ability to raise further debt.

**80. *There may be no active market for the NCDs on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.***

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs may depend on various factors, inter alia, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and (v) our financial performance, growth prospects and results of operations etc. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

**81. *Legal investment considerations may restrict certain investments.***

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent

(i) the NCDs are legal investments for it, (ii) the NCDs can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the NCDs.

**82. *There may be a delay in making refund/ unblocking of funds to Applicants.***

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your Applications, (ii) our failure to receive minimum prescribed subscription in connection with the Issue, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the Stock Exchanges for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

**83. *In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.***

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid in accordance with the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

**84. *The secondary market for debentures may be illiquid; limited or sporadic.***

The NCDs may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the NCDs, it is not likely to provide significant liquidity. Potential investors may have to hold the NCDs until redemption to realize any value.

**85. *There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchanges in a timely manner, or at all.***

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchange. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchange, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Draft Shelf Prospectus. There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchanges in a timely manner, or at all.

## SECTION III: INTRODUCTION

### GENERAL INFORMATION

Our Company was originally incorporated as a public limited company under the name of 'Indian Schering Limited' on April 26, 1947 under the provisions of the Indian Companies Act, 1913, pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Subsequently, the name of our Company was changed pursuant to fresh certificates of incorporation granted by the RoC; to Nicholas Laboratories India Limited with effect from September 27, 1979, to Nicholas Piramal India Limited with effect from December 2, 1992, to Piramal Healthcare Limited with effect from May 13, 2008 and to Piramal Enterprises Limited with effect from July 31, 2012.

Our Company has obtained a certificate of registration dated July 21, 2022, bearing number N-13-02432 issued by the RBI to commence/ carry on the business of non-banking financial institution under Section 45-IA of the RBI Act, 1934.

#### Registered Office and Corporate Office

Piramal Ananta, Agastya Corporate Park,  
Opposite Fire Brigade, Kamani Junction,  
LBS Marg, Kurla (West), Mumbai 400 070  
Maharashtra, India

**Contact Number:** 022 3802 3000/022 3802 4000

**Facsimile:** 91 22 3802 3884

**Email:** treasury.pchfl@piramal.com; bipin.singh@piramal.com

**Website:** www.piramal.com

For further details regarding changes to our Registered Office, see "*History and Certain Corporate Matters*" on page 160.

#### Registration

**CIN:** L24110MH1947PLC005719

**Legal Entity Identifier:** 335800XG9I3HZ2F1KQ73

**RBI Registration number:** N-13-02432

**Permanent Account Number:** AAACN4538P

**Liability of the members of the Company:** Limited by Shares

#### Chief Financial Officer

##### Upma Goel

Piramal Ananta, Agastya Corporate Park,  
Opposite Fire Brigade, Kamani Junction,  
LBS Marg, Kurla (West), Mumbai 400 070  
Maharashtra, India

**Contact Number:** 022 3802 3145

**Email:** upma.goel@piramal.com

#### Company Secretary and Compliance Officer

##### Bipin Singh

Piramal Ananta, Agastya Corporate Park,  
Opposite Fire Brigade, Kamani Junction,  
LBS Marg, Kurla (West), Mumbai 400 070  
Maharashtra, India

**Contact Number:** 022 3802 3805

**Facsimile:** 022 3802 3084

**Email:** bipin.singh@piramal.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre- Issue or post Issue related issues such as non-receipt of Allotment cum unblocking advice, demat credit of allotment of NCDs or refund orders.



## Lead Managers

### A. K. Capital Services Limited



BUILDING BONDS

603, 6<sup>th</sup> Floor, Windsor,  
Off CST Road, Kalina  
Santacruz East, Mumbai 400 098  
Maharashtra, India

**Tel:** +91 22 6754 6500

**Facsimile:** +91 22 6610 0594

**Email:** pelncd2023@akgroup.co.in

**Investor Grievance Email:** investor.grievance@akgroup.co.in

**Website:** www.akgroup.co.in

**Contact Person:** Aanchal Wagle/ Milan Soni

**Compliance Officer:** Tejas Davda

**SEBI registration no.:** INM000010411

**CIN:** L74899MH1993PLC274881

### JM Financial Limited



7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025,  
Maharashtra, India

**Tel:** +91 22 6630 3030

**Facsimile:** +91 22 6630 3330

**Email:** pel.ncdissue2023@jmfl.com

**Investor Grievance Email:** grievance.ibd@jmfl.com

**Website:** www.jmfl.com

**Contact Person:** Prachee Dhuri

**Compliance Officer:** Sunny Shah

**SEBI registration no.:** INM000010361

**CIN:** L67120MH1986PLC038784

### Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)



8<sup>th</sup> Floor, Wing A, Building No 3  
Inspire BKC, G Block, Bandra Kurla Complex,  
Bandra East, Mumbai – 400 051

**Tel:** +91 22 4009 4400

**Email:** pel.ncd@nuvama.com

**Investor Grievance Email:** customerservice.mb@nuvama.com

**Website:** www.nuvama.com

**Contact Person:** Lokesh Singhi/ Saili Dave

**Compliance Officer:** Bhavana Kapadia

**SEBI registration no.:** INM000013004

**CIN:** U67110MH1993PLC344634

### Trust Investment Advisors Private Limited



TRUST

In Partnership With Trusts.

109/110, Balarama  
Bandra Kurla Complex  
Bandra (East), Mumbai – 400 051  
Maharashtra, India

**Tel:** +91 22 4084 5000

**Facsimile:** +91 22 4084 5066

**Email:** projectkrishna.trust@trustgroup.in

**Investor Grievance Email:** customercare@trustgroup.in

**Website:** www.trustgroup.in

**Contact Person:** Hani Jalan  
**Compliance Officer:** Brijmohan Bohra  
**SEBI registration no.:** INM000011120  
**CIN:** U67190MH2006PTC162464

#### **Debenture Trustee**

#### **IDBI Trusteeship Services Limited**



Universal Insurance Building  
Ground Floor, Sir P.M. Road  
Fort, Mumbai – 400 001  
**Tel:** +91 22 40807015, +91 8097474646  
**Facsimile:** +91 22 66311776

**Email:** response@idbitrustee.com

**Investor Grievance Email:** response@idbitrustee.com, yash.ghelani@idbitrustee.com, gaurav.jeswani@idbitrustee.com, nikhil@idbitrustee.com, teamivory@idbitrustee.com

**Website:** www.idbitrustee.com

**Contact Person:** Nikhil Lohana, Gaurav Jeswani, Yash Ghelani

**SEBI Registration No.:** IND000000460

**CIN:** U65991MH2001GOI131154

IDBI Trusteeship Services Limited has, pursuant to Regulation 8 of SEBI NCS Regulations, by its letter dated August 28, 2023 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. Please see “Annexure C” of this Draft Shelf Prospectus.

Except as included in the Draft Shelf Prospectus, all the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed see, “Issue Related Information” on page 210 of the Draft Shelf Prospectus.

#### **Registrar to the Issue**



#### **Link Intime India Private Limited**

C 101, 1<sup>st</sup> Floor, 247 Park  
L.B.S. Marg, Vikhroli West  
Mumbai – 400 083, Maharashtra,  
India

**Tel:** +91 810 811 4949

**Fax:** +91-022-49186060

**E-mail:** pel.ncd@linkintime.co.in

**Website:** www.linkintime.co.in

**Investor grievance e-mail:** pel.ncd@linkintime.co.in

**Contact person:** Sumeet Deshpande

**SEBI Registration No.:** INR000004058

**CIN:** U67190MH1999PTC118368

Link Intime India Private Limited has by its letter dated August 28, 2023 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus, Abridged Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.

Applicants or prospective investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit of NCDs, refunds, unblocking, transfers, etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant (“DP”) name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of retail individual investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (i) the relevant Designated Branch of the SCSB where the Application Form was submitted by the Applicant, or (ii) the concerned Members of the Consortium and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the online mechanism (app based/wed interface platform) of the Stock Exchanges or through Trading Members may be addressed directly to the respective Stock Exchanges with a copy to the Registrar to the Issue.

#### **Joint Statutory Auditors**

##### **M/s. Suresh Surana & Associates LLP**

308-309, A Wing, Technopolis Knowledge Park, Mahakali Caves Road, Andheri (East),  
Mumbai 400 093, Maharashtra, India

**Tel:** +91-22-61915555

**Firm Registration No.:** 121750W/W-100010

**Email:** santosh.maller@ss-associates.com

**Peer Review Certificate No.:** 014084

**Contact Person:** Santosh Maller

##### **Bagaria & Co. LLP**

701, Stanford Building, S.V. Road, Andheri (West),  
Mumbai 400 058, Maharashtra, India

**Tel:** +91 22 62505600

**Firm Registration No.:** 113447W/W-100019

**Email:** rahul@bagariaco.com

**Peer Review Certificate No.:** 014670

**Contact Person:** Rahul Bagaria

#### **Change in Statutory Auditors since last three financial years and current financial year as on date of this Draft Shelf Prospectus:**

<b>Name of the Auditor</b>	<b>Address</b>	<b>Date of Appointment</b>	<b>Date of cessation if applicable</b>	<b>Date of Resignation if applicable</b>
M/s. Suresh Surana & Associates LLP	308-309, Technopolis Knowledge Park, Mahakali Caves Road, Andheri (E), Mumbai 400 093, Maharashtra, India	July 29, 2022	-	-
Bagaria & Co LLP	701, Stanford, Junction of S.V.Road & Barfiwala Marg, Andheri (W), Mumbai 400 058, Maharashtra, India	December 11, 2022	-	-
M/s. Deloitte Haskins & Sells LLP	One International Center Tower 3, 27 <sup>th</sup> - 32 <sup>nd</sup> Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013, Maharashtra, India	August 1, 2017	July 29, 2022	-

## Credit Rating Agencies

### ICRA Limited

Electric Mansion, 3rd floor,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai – 400025  
**Tel:** +91 22 61143406  
**Fax:** +91 22 24331390  
**E-mail:** shivakumar@icraindia.com  
**Website:** www.icra.in  
**Contact Person:** L Shivakumar  
**SEBI Registration No.:** IN/CRA/008/15  
**CIN:** L74999DL1991PLC042749

### CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Rd  
Off Eastern Express Highway  
Sion East, Mumbai, Maharashtra - 400022  
**Tel:** +9122 6754 3456  
**E-mail:** kruti.rawal@careratings.com  
**Website:** www.careratings.com  
**Contact Person:** Kruti Rawal  
**SEBI Registration No.:** IN/CRA/004/1999  
**CIN:** L67190MH1993PLC071691

## Credit Rating and Rationale

The NCDs proposed to be issued pursuant to this Issue have been rated [ICRA]AA (Stable) by ICRA Limited by way of its letter dated June 27, 2023 and rated CARE AA; Stable (Double A; Outlook: Stable) by CARE Ratings Limited by way of its letter dated August 1, 2023. The rating issued by ICRA Limited is live until withdrawn or changed and as available on ICRA's website, and the ratings issued by CARE Ratings Limited is valid as on the date of this Draft Shelf Prospectus and the rating, once the NCDs are issued, will be valid until withdrawn. The ratings provided by the Credit Rating Agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For details regarding rating letter and rationale for the aforementioned rating, see "Annexure B" beginning on page 385.

## Disclaimer clause of ICRA Limited

*"All information contained in the Press Release has been obtained by ICRA from sources believed by ICRA to be accurate and reliable. Although reasonable care has been taken to ensure that the information therein is true, such information is provided 'as is' without any warranty of any kind, and in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained therein must be construed solely as statements of opinion and not any recommendation for investment. ICRA shall not be liable for any losses incurred by users from any use of the Press Release or its contents. Also, ICRA may provide other permissible services to the Company at arms-length basis."*

## Disclaimer clause of CARE Ratings Limited

*"The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information."*

CARE Ratings Limited in its consent letter dated August 28, 2023 has stated the following:

*"We or our affiliates have no fiduciary relationship with the Company, and do not fall under Section 2(38) of the Companies Act, 2013. In issuing and maintaining its ratings, CARE relies on factual information it receives from issuers and underwriters and from other sources CARE believes to be credible. Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy*

*with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. CARE is not your advisor, nor is CARE providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find CARE ratings to be important information, and CARE notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.”*

### **Legal Counsel to the Issue**

#### **Trilegal**

One World Centre  
10th Floor, Tower 2A & 2B,  
Senapati Bapat Marg,  
Lower Parel,  
Mumbai - 400 013  
**Tel:** 022 40791000

### **Consortium Members**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Bankers to the Issue**

#### **Public Issue Account Bank(s)**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

#### **Refund Bank(s)**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

#### **Sponsor Bank**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Impersonation**

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

*“Any person who —*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

### **Minimum subscription**

In terms of the SEBI NCS Regulations for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue size as specified in the relevant Tranche Prospectus. If our

Company does not receive the minimum subscription of 75% of the Base Issue size, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the ASBA Accounts of the Applicants within eight Working Days from the Issue Closing Date. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within eight Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds/refunds, our Company shall be liable to repay the money, with interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

### **Underwriting**

This Issue will not be underwritten.

### **Recovery Expense Fund**

Our Company has created a recovery expense fund in the manner as specified by the SEBI Master Circular for Debenture Trustees and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed and the applicable laws, for taking appropriate legal action to enforce the security.

### **Settlement Guarantee Fund**

Our Company will deposit amounts in the settlement guarantee fund in the manner as specified in the SEBI Master Circular. This fund has been created under the SEBI Master Circular to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

### **Arrangers to the Issue**

There are no arrangers to the Issue.

### **Guarantor to the Issue**

There are no guarantors to the Issue.

### **Designated Intermediaries**

#### *Self-Certified Syndicate Banks*

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) respectively as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned links.

In relation to Applications submitted to a Members of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI ([www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes)), or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Consortium at Specified Locations, see the website of the SEBI ([www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes)) or any such other website as may be prescribed by SEBI from time to time.

#### *Syndicate SCSB Branches*

In relation to ASBA Applications submitted to the Members of the Syndicates or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchanges is provided on [www.sebi.gov.in](http://www.sebi.gov.in) or at such other website as may be prescribed by SEBI from time to time. For more information

on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see the above-mentioned web-link.

#### *Registered Brokers / RTAs / CDPs*

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012, the RTA Master Circular and the SEBI Master Circular, Applicants can submit ASBA Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and updated from time to time.

#### *CRTAs / CDPs*

The list of the Registered Brokers, RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at [www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) for Registered Brokers and [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6) for RTAs and CDPs, as updated from time to time. For further details, see “*Issue Procedure*” on page 232.

#### **Utilisation of Issue proceeds**

For details on utilisation of Issue proceeds, see “*Objects of the Issue*” on page 86.

#### **Issue Programme**

<b>ISSUE OPENS ON</b>	As specified in relevant Tranche Prospectus
<b>ISSUE CLOSES ON</b>	As specified in relevant Tranche Prospectus
<b>PAY IN DATE</b>	Application Date. The entire Application Amount is payable on Application.
<b>DEEMED DATE OF ALLOTMENT</b>	The date on which the Administrative Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Administrative Committee and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the NCD Holders from the Deemed Date of Allotment.

*Note: The Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten working days from the date of opening of the relevant Tranche Issue and subject to not exceeding thirty days from filing the relevant Tranche Prospectus with ROC) as may be decided by the Administrative Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of the relevant Tranche Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled “Issue Related Information” on page 210 of this Draft Shelf Prospectus.*

*Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Designated Intermediaries, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (ii) directly by the Designated Branches of the SCSBs or (iii) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchanges. It is clarified that the Applications not uploaded in the Stock Exchanges platform would be rejected.*

*Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware*

systems or otherwise. As per the SEBI Master Circular, the allotment in this Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

#### Inter-se Allocation of Responsibilities among the Lead Managers:

The following table sets forth the inter-se allocation of responsibilities and coordination for various activities among the Lead Managers:

S. No.	Activities	Responsibility	Coordinator
1.	Due diligence of Company's operations/ management/ business plans/ legal etc. and drafting the Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus (together "Offer Documents").  Coordination with the Designated Stock Exchanges for in-principle approval.	All Lead Managers	AK Capital
2.	Structuring of various issuance options with relative components and formalities etc.	All Lead Managers	AK Capital
3.	Co-ordination with auditors for auditor deliverables and co-ordination with lawyers for legal opinion.	All Lead Managers	AK Capital
4.	Appointment of other intermediaries viz., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank cum Refund Bank.	All Lead Managers	AK Capital
5.	Drafting and approval of statutory advertisement	All Lead Managers	AK Capital
6.	Coordination with the printer for designing and finalization of Offer Documents, Application Form including memorandum containing salient features of the Offer Documents.	All Lead Managers	Trust Investment
7.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 5 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.	All Lead Managers	JM Financial and Trust Investment
8.	Preparation of road show presentation, FAQs.	All Lead Managers	Trust Investment
9.	Marketing strategy which will cover, inter alia: <ul style="list-style-type: none"> <li>• Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Offer Documents, posters, banners, etc.</li> <li>• Finalise collection centers</li> <li>• Coordinate with Registrar for collection of Application Forms by ASBA banks;</li> <li>• Finalisation of list and allocation of institutional investors for one on one meetings.</li> </ul>	All Lead Managers	JM Financial and Trust Investment
10.	Coordination with the Stock Exchanges for use of the bidding software	All Lead Managers	Trust Investment
11.	Coordination for security creation by way of execution of Debenture Trust Deed/ Deed of Hypothecation.	All Lead Managers	Trust Investment
12.	<ul style="list-style-type: none"> <li>• Coordination with Registrar and ASBA Banks for final certificate;</li> <li>• Finalisation of Basis of Allotment with Designated Stock Exchange;</li> <li>• Coordination with Registrar for transfer of funds from ASBA banks to Public Issue Account; and</li> <li>• Allotment resolution</li> </ul>	All Lead Managers	Nuvama
13.	<ul style="list-style-type: none"> <li>• Drafting and finalization of post issue stationery items like allotment and refund advice, etc.;</li> <li>• Coordination for generation of ISINs;</li> <li>• Corporate action for dematerialized credit /delivery of securities;</li> <li>• Coordinating approval for listing and trading of securities; and</li> <li>• Redressal of investor grievances in relation to post issue activities.</li> </ul>	All Lead Managers	Nuvama



## CAPITAL STRUCTURE

### Details of share capital

The following table lays down details of our authorised, issued, subscribed and paid-up share capital and securities premium account as on June 30, 2023:

*(In ₹, except for share data)*

Particulars	Amount in (₹)
<b>AUTHORISED SHARE CAPITAL</b>	
25,40,00,00,000 Equity Shares of face value of ₹ 2 each	50,80,00,00,000
30,00,000 Preference Shares of face value of ₹ 100 each	30,00,00,000
2,40,00,000 Preference Shares of face value of ₹ 10 each	24,00,00,000
10,50,00,000 unclassified shares of face value of ₹ 2 each	21,00,00,000
<b>TOTAL</b>	<b>51,55,00,00,000*</b>
<b>ISSUED SHARE CAPITAL ***</b>	
23,86,88,273 Equity Shares of face value of ₹ 2 each	47,73,76,546
<b>TOTAL</b>	<b>47,73,76,546</b>
<b>SUBSCRIBED AND PAID-UP SHARE CAPITAL**</b>	
23,86,63,700 Equity Shares of face value of ₹ 2 each	47,73,27,400
<b>TOTAL</b>	<b>47,73,27,400</b>
<b>Securities Premium Account</b>	11,427.97 crores

*Note: There will be no change in the capital structure and securities premium account due to the Issue and allotment of the NCDs.*

\* *The MCA portal incorrectly reflects the authorised share capital of our Company as ₹655,00,00,000. Our Company pursuant to application dated January 9, 2023, has sought for rectification of the authorised share capital to ₹5155,00,00,000.*

\*\* *Pursuant to cancellation of unsubscribed portion of the issued capital representing 5,75,372 Equity Shares of ₹ 2 each aggregating to ₹ 1,150,744, which was reserved in favour of the compulsorily convertible debentures holders under rights issue of the Company vide its Letter of Offer dated February 1, 2018.*

\*\*\* *24,573 Rights equity shares have been kept in abeyance.*

### 1. Details of change in authorised share capital of our Company for the last three financial years and the current financial year, up to June 30, 2023:

Except as stated below, there has been no change in the authorised share capital of our Company, for the last three financial years and current financial year up to June 30, 2023:

Particulars	Date of Change (Annual General Meeting/ Extraordinary General Meeting)
Increase in the authorised share capital from ₹ 155,00,00,000 divided into 40,00,00,000 Equity Shares of ₹ 2 each, 30,00,000 Preference Shares of ₹ 100 each, 2,40,00,000 Preference Shares of ₹ 10 each and 10,50,00,000 unclassified shares of face value of ₹ 2 each to ₹ 51,55,00,00,000 divided into 25,40,00,00,000 Equity Shares of face value of ₹ 2 each, 30,00,000 Preference Shares of face value of ₹ 100 each, 2,40,00,000 Preference Shares of ₹ 10 each and 10,50,00,000 unclassified shares of face value of ₹ 2 each pursuant to the Scheme	August 12, 2022

### 2. Issue of Equity Shares for consideration other than cash in the last three financial years and current financial year

Except as disclosed in the section titled, “*Capital Structure - Details of Equity Share capital*” on page 62, our Company has not issued any Equity Shares in the in the last three financial years and current financial year up to June 30, 2023, for consideration other than cash.

3. **Share capital history of our Company for the last three financial years and current financial year**

a. *Details of Equity Share capital*

The history of the paid-up Equity Share capital of our Company for the last three financial years and the current financial year, is set forth below:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						Number of Equity Shares	Equity Share capital (in ₹)	Equity Shares Premium (in ₹ crores)
June 14, 2021	1,15,89,400	2.00	1,510.00	Other than cash	Allotment pursuant to conversion of Compulsorily Convertible Debentures into Equity shares of the Company	23,71,27,756	47,42,55,512	11,228.46
June 28, 2021	15,35,944	2.00	1,300.00	Cash	Allotment of shares out of CCD reservation portion under rights issue of the Company	23,86,63,700	47,73,27,400	11,427.97

*Note: Our Board of Directors pursuant to its meeting dated July 28, 2023 has approved a buyback to be undertaken by the Company of up to 1,40,00,000 Equity Shares for an aggregate amount not exceeding ₹ 1,750.00 crores, being 5.87% of the total paid-up Equity Share capital, at ₹ 1,250.00 per Equity Share. We have intimated the Stock Exchanges regarding the proposed buyback pursuant to our letter dated July 28, 2023.*

b. *Details of Preference Share Capital*

The Company has not issued/ allotted any preference shares in the last three financial years and the current financial year.

*[This page has been intentionally left blank]*

4. Shareholding pattern of our Company as on the last quarter end

The table below presents the shareholding pattern of our Company as on June 30, 2023.

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares			
								No of Voting (XIV) Rights							Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)	Shareholding (No. of shares) under		
								Class eg: X	Class eg:y	Total											Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(A)	Promoter & Promoter Group	17	10,37,80,693	-	-	10,37,80,693	43.48	10,37,80,693.00	-	10,37,80,693.00	43.70	-	-	-	-	-	-	10,37,80,693	-	-	-		
(B)	Public	2,82,913	13,37,24,673	-	-	13,37,24,673	56.03	13,37,24,673.00	-	13,37,24,673.00	56.30	-	-	-	-	-	-	13,17,59,847	0	0	0		
(C)	Non Promoter- Non Public	2	11,58,334	-	-	11,58,334	-	0	-	0.00	0.00	-	-	-	-	-	-	11,58,334	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Employee Trusts	2	11,58,334	-	-	11,58,334	0.49	0.00	-	0.00	0.00	-	-	-	-	-	-	11,58,334	-	-	-		
	<b>Total</b>	<b>2,82,932</b>	<b>23,86,63,700</b>	<b>-</b>	<b>-</b>	<b>23,86,63,700</b>	<b>100</b>	<b>23,75,05,366.00</b>	<b>-</b>	<b>23,75,05,366.00</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,66,98,874</b>	<b>0</b>	<b>0</b>	<b>0</b>		

5. Statement showing shareholding pattern of the Promoter and Promoter Group as on June 30, 2023

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. Of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding ,as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares			
								No of Voting (XIV) Rights			Total as a % of Total Voting rights					No.		As a % of total Shares held (b)			Shareholding (No. of shares) under			
								Class eg: X	Class eg: y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)	
<b>(1)</b>	<b>Indian</b>																							
(a)	Individuals/Hindu undivided Family	9	5,79,721	-	-	5,79,721	0.24	5,79,721.00	-	5,79,721	0.24	-	-	-	0.24	-	-	-	-	5,79,721	-	-	-	
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Any Other (specify)	8	10,32,00,972	-	-	10,32,00,972	43.24	10,32,00,972.00	-	10,32,00,972	43.45	-	-	-	43.24	-	-	-	-	10,32,00,972	-	-	-	
	<b>Sub-Total (A)(1)</b>	<b>17</b>	<b>10,37,80,693</b>	<b>-</b>	<b>-</b>	<b>10,37,80,693</b>	<b>43.48</b>	<b>10,37,80,693.00</b>	<b>-</b>	<b>10,37,80,693</b>	<b>43.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,37,80,693</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>(2)</b>	<b>Foreign</b>																							
(a)	Individuals (NonResident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. Of Shares Outstanding convertible securities (X)	No. of Shares Outstanding Warrants (Xi)	No. Of Shares Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares			
								No of Voting (XIV) Rights							Total as a % of Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)	Shareholding (No. of shares) under		
								Class eg: X	Class eg: y	Total											Sub-category (i)	Sub-category (ii)	Sub-category (iii)
<b>Sub-Total (A)(2)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>		17	10,37,80,693	-	-	10,37,80,693	43.48	10,37,80,693.00	-	10,37,80,693	43.70	-	-	-	-	-	-	-	10,37,80,693	-	-	-	

**Notes:**

- Certain entities forming part of the Promoter Group, namely, Piramal Projects & Constructions Private Limited, Blue Crystal Construction & Developers Private Limited, Akshar Fincom Private Limited, Gerah Enterprises Private Limited, PCSL InfraConstructions & Merchandising Private Limited and Adelwise Investments Private Limited has been amalgamated with PRPL Enterprises Private Limited (formerly known as Piramal Realty Private Limited), and the scheme has become effective from August 25, 2023.
- One of the entities forming part of our Promoter Group, namely, Alpex Holdings Private Limited has amalgamated with Piramal Glass Private Limited, and the scheme has become effective from July 18, 2023.
- Certain entities forming part of the Promoter Group have been struck off pursuant to a notice of the Ministry of Corporate Affairs dated July 21, 2023, namely, (i) Piramal Aerospace Private Limited, (ii) Piramal Aerostructures Private Limited, (iii) Piramal Auto Private Limited, (iv) Piramal Chemtech and Fertilizers Private Limited, (v) Piramal Defence Equipments Private Limited, (vi) Piramal Entertainment Private Limited, (vii) Piramal Flight Systems Private Limited, (viii) Piramal Offshore Private Limited, (ix) Piramal Oil & Gas Private Limited, (x) Piramal Shipyard Private Limited, (xi) Piramal Televentures Private Limited.

6. Statement showing shareholding pattern of public Shareholders as on June 30, 2023

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
								No of Voting (XIV) Rights			Total as a % of Total Voting rights					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
								Class eg: X	Class eg:y	Total													
<b>(1) Institutions (Domestic)</b>																							
(a)	Mutual Funds	29	1,39,50,879	-	-	1,39,50,879	5.85	1,39,50,879	-	1,39,50,879	5.87	-	-	-	5.85	-	-	-	-	1,39,50,367	0	0	0
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Alternate Investment Funds	3	2,41,500	-	-	2,41,500	0.10	2,41,500	-	2,41,500	0.10	-	-	-	0.10	-	-	-	-	2,41,500	0	0	0
(d)	Banks	11	29,127	-	-	29,127	0.01	29,127	-	29,127	0.01	-	-	-	0.01	-	-	-	-	28,744	0	0	0
(e)	Insurance Companies	10	1,42,34,767	-	-	1,42,34,767	5.96	1,42,34,767	-	1,42,34,767	5.99	-	-	-	5.96	-	-	-	-	1,42,34,767	0	0	0
(f)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(g)	Asset reconstruction companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(h)	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i)	NBFCs registered with RBI	5	9,723	-	-	9,723	0.00	9,723	-	9,723	0.00	-	-	-	0.00	-	-	-	-	9,723	0	0	0
(j)	Other Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(k)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-Total (B)(1)</b>		<b>58</b>	<b>2,84,65,996</b>			<b>2,84,65,996</b>	<b>11.93</b>	<b>2,84,65,996</b>		<b>2,84,65,996</b>	<b>11.99</b>				<b>11.93</b>					<b>2,84,65,101</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Institutions (Foreign)</b>																							
(a)	Foreign Direct Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Foreign Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
								No of Voting (XIV) Rights		Total as a % of Total Voting rights					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
								Class eg: X	Class eg:y													
<b>Sub-Total (B)(3)</b>		1	213	-	-	213	0.00	213	-	213	0.00	-	-	-	-	-	-	213	0	0	0	
<b>(4) Non-institutions</b>																						
(a)	Associate companies / Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Directors and their relatives (excluding independent directors and nominee directors)	4	1,50,229	-	-	1,50,229	0.06	1,50,229	-	1,50,229	0.06	-	-	0.06	-	-	-	-	1,50,229	0	0	0
(c)	Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary',	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	





7. Statement showing shareholding pattern of non-Promoter – non-public Shareholders as on June 30, 2023

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
								No of Voting (XIV) Rights			Total as a % of Total Voting rights					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding (No. of shares) under		
								Class eg: X	Class eg:y	Total											Sub-category (i)	Sub-category (ii)	Sub-category (iii)
<b>C Table IV – Statement showing shareholding pattern of the Non Promoter – Non Public shareholder</b>																							
(1)	Custodian/DR Holder – Name of DR Holders (If Available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	2	11,58,334	-	-	11,58,334	0.49	0	-	0	0.00	-	-	-	0.49	-	-	-	-	11,58,334	-	-	-
<b>Total Non Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)</b>		2	11,58,334	-	-	11,58,334	-	<b>0.00</b>	-	<b>0</b>	0.00	-	-	-	-	-	-	-	-	11,58,334	-	-	-
<b>Total (A+B+C2)</b>		2,82,932	23,86,63,700	-	-	23,86,63,700	100.00	23,75,05,366.00	-	23,75,05,366	100.00	-	-	-	100.00	-	-	-	-	23,66,98,874	0	0	0
<b>Total (A+B+C)</b>		2,82,932	23,86,63,700	-	-	23,86,63,700	100.00	-	-	23,75,05,366	100.00	-	-	-	100.00	-	-	-	-	23,66,98,874	0	0	0

8. Statement showing shareholding pattern of Individual/ Hindu Undivided Families in our Company as on June 30, 2023

Serial No.	Name of the Shareholders (I)	PAN (II)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(Xi)(a) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN	Shareholder type
						No of Voting (XIV) Rights		Total as a % of Total Voting rights				
						Class eg:X	Total					
1	Ajay G. Piramal	AAEPP7726Q	1,23,296	1,23,296	0.05	1,23,296.00	1,23,296.00	0.05	0.05	1,23,296	-	Promoter
2	Swati A. Piramal	AAJPP8862G	2,100	2,100	0.00	2,100.00	2,100.00	0.00	0.00	2,100	-	Promoter Group
3	Anand Piramal	AJUPP6955A	1,97,097	1,97,097	0.08	1,97,097.00	1,97,097.00	0.08	0.08	1,97,097	-	Promoter Group
4	Nandini Piramal	AEOPP0388Q	45,487	45,487	0.02	45,487.00	45,487.00	0.02	0.02	45,487	-	Promoter Group
5	Lalita G. Piramal	AAKPP3794Q	1,234	1,234	0.00	1,234.00	1,234.00	0.00	0.00	1,234	-	Promoter Group
6	Peter DeYoung	ARSPD3516H	1,08,000	1,08,000	0.05	1,08,000.00	1,08,000.00	0.05	0.05	1,08,000	-	Promoter Group
7	Anya Piramal De Young	BDOPD2977H	48,000	48,000	0.02	48,000.00	48,000.00	0.02	0.02	48,000	-	Promoter Group
8	Dev Piramal De Young	BUQPD7573N	48,000	48,000	0.02	48,000.00	48,000.00	0.02	0.02	48,000	-	Promoter Group
9	Ajay G. Piramal (Karta of Ajay G. Piramal HUF)	AAAHA4794D	6,507	6,507	0.00	6,507.00	6,507.00	0.00	0.00	6,507	-	Promoter Group
		<b>Total</b>	5,79,721	5,79,721	0.24	5,79,721.00	5,79,721.00	0.24	0.24	5,79,721	-	

9. Details of other shareholders in our Company as on June 30, 2023

Serial No.	Category	Name of the Shareholders (I)	PAN (II)	No. of the Shareholders (I)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN	Shareholder type
								No of Voting (XIV) Rights		Total as a % of Total Voting rights				
								Class eg: X	Total					
1	Bodies Corporate	AASAN Corporate Solutions Pvt. Ltd	AAJCA7980P	1	20,13,875	20,13,875	0.84	20,13,875.00	20,13,875.00	0.85	0.84	20,13,875	-	Promoter Group
2	Bodies Corporate	PRL Realtors LLP	AANFP2752R	1	89,73,913	89,73,913	3.76	89,73,913.00	89,73,913.00	3.78	3.76	89,73,913	-	Promoter Group
3	Trusts	The Ajay G. Piramal Foundation	AABTT1789N	1	9,86,731	9,86,731	0.41	9,86,731.00	9,86,731.00	0.42	0.41	9,86,731	-	Promoter Group
4	Trusts	The Sri Krishna Trust through its Trustee Ajay G Piramal and Swati A Piramal	AABTT1796P	1	7,88,77,580	7,88,77,580	33.05	7,88,77,580.00	7,88,77,580.00	33.21	33.05	7,88,77,580	-	Promoter Group
5	Trusts	Piramal Welfare Trust (Formerly known as The Piramal Enterprise Executives Trust)	AAAAP0209M	1	23,85,806	23,85,806	1.00	23,85,806.00	23,85,806.00	1.00	1.00	23,85,806	-	Promoter Group
6	Bodies Corporate	Adelwise Investments Pvt. Ltd.	AABCA2762M	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
7	Bodies Corporate	Akshar Fincom Pvt. Ltd.	AABCA2011K	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
8	Bodies Corporate	Alpex Holdings Pvt. Ltd.	AAACN7738H	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
9	Bodies Corporate	Alpex InfraConstructions Pvt. Ltd.	AAJCA7984K	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
10	Bodies Corporate	Gerah Enterprises Pvt. Ltd.	AAECG7138C	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
11	Bodies Corporate	Glider Buildcon Realtors Pvt. Ltd.	AAGCG0288B	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
12	Bodies Corporate	IndiaVenture Advisors Pvt. Ltd.	AABCI7657P	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
13	Bodies Corporate	Kaivalya Education Foundation	AADCK5957A	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
14	Bodies Corporate	Montane Ventures Pvt. Ltd.	AAJCM9977E	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group

Serial No.	Category	Name of the Shareholders (I)	PAN (II)	No. of the Shareholders (I)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN	Shareholder type
								No of Voting (XIV) Rights		Total as a % of Total Voting rights				
								Class eg: X	Total					
15	Bodies Corporate	Piramal Corporate Services Private Limited	AAACL0860A	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
16	Bodies Corporate	Nival Developers Pvt. Ltd.	AADCN7364C	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
17	Bodies Corporate	PCE Developers Pvt. Ltd.	AAGCP1172K	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
18	Bodies Corporate	PCSL InfraConstructions & Merchandising Pvt. Ltd.	AAGCP0832J	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
19	Bodies Corporate	PDL Properties LLP	AANFP5687P	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
20	Bodies Corporate	PDL Realty Pvt. Ltd.	AAGCP0375A	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
21	Bodies Corporate	PEL Finhold Pvt. Ltd.	AAHCP8394G	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
22	Bodies Corporate	PEL Management Sevices Pvt. Ltd.	AAACP7714P	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
23	Bodies Corporate	Piramal Advanced Systems Pvt. Ltd.	AAGCP5231K	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
24	Bodies Corporate	Piramal Aerospace Pvt. Ltd.	AAGCP7242N	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
25	Bodies Corporate	Piramal Aerostructures Pvt. Ltd	AAGCP6984K	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
26	Bodies Corporate	Piramal Agriculture Pvt. Ltd.	AAGCP8521L	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
27	Bodies Corporate	Piramal Auto Pvt. Ltd.	AAGCP4766M	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
28	Bodies Corporate	Piramal Biotech Pvt. Ltd.	AAGCP7774B	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
29	Bodies Corporate	Piramal Homes Pvt. Ltd. (Formerly Piramal Building Material and Cement Pvt. Ltd.)	AAGCP7245M	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group

Serial No.	Category	Name of the Shareholders (I)	PAN (II)	No. of the Shareholders (I)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN	Shareholder type
								No of Voting (XIV) Rights		Total as a % of Total Voting rights				
								Class eg: X	Total					
30	Bodies Corporate	Piramal Chemtech and Fertilizers Pvt. Ltd.	AAGCP5629P	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
31	Bodies Corporate	Piramal Commercial Estates LLP	AAMFP2992C	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
32	Bodies Corporate	Piramal Consumer Products Pvt. Ltd.	AAGCP7244L	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
33	Bodies Corporate	Piramal Data Integrity Private Ltd.	AAGCP7034C	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
34	Bodies Corporate	Piramal Defence Equipments Pvt. Ltd.	AAGCP5632E	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
35	Bodies Corporate	Piramal Electrosystems Pvt. Ltd.	AAGCP5630G	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
36	Bodies Corporate	Piramal Entertainment Pvt. Ltd.	AAGCP4768F	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
37	Bodies Corporate	Piramal e-Shopping Pvt. Ltd.	AAHCP0430F	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
38	Bodies Corporate	Piramal Estates Pvt. Ltd.	AACCA7777K	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
39	Bodies Corporate	Piramal Flight Systems Pvt. Ltd.	AAHCP0298H	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
40	Bodies Corporate	Piramal Forging Pvt. Ltd.	AAGCP6982R	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
41	Bodies Corporate	Piramal Foundation for Education Leadership	AAGCP1673D	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
42	Bodies Corporate	Piramal Fund Management Pvt. Ltd.	AABCI3931J	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
43	Bodies Corporate	Piramal Glass Pvt. Ltd.	AABCG0093R	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
44	Bodies Corporate	Piramal Foundation	AAGCP1492E	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
45	Bodies Corporate	Piramal Higher Education Pvt. Ltd.	AAGCP5633F	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
46	Bodies Corporate	Piramal Hospitality Pvt. Ltd.	AAGCP7247K	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group

Serial No.	Category	Name of the Shareholders (I)	PAN (II)	No. of the Shareholders (I)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN	Shareholder type
								No of Voting (XIV) Rights		Total as a % of Total Voting rights				
								Class eg: X	Total					
47	Bodies Corporate	Piramal International Consultants Pvt. Ltd.	AAGCP7775A	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
48	Bodies Corporate	Piramal Investment Advisory Services Pvt. Ltd.	AAHCP2291G	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
49	Bodies Corporate	Piramal Media Pvt. Ltd.	AAGCP7243P	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
50	Bodies Corporate	Piramal Metals Pvt. Ltd.	AAGCP6983Q	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
51	Bodies Corporate	Piramal Natural Resources Pvt. Ltd.	AAGCP6981N	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
52	Bodies Corporate	Piramal Offshore Pvt. Ltd.	AAGCP5232L	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
53	Bodies Corporate	Piramal Oil & Gas Pvt. Ltd.	AAGCP6985J	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
54	Bodies Corporate	Piramal Packaging Pvt. Ltd.	AAGCP4767L	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
55	Bodies Corporate	Piramal Projects & Constructions Pvt. Ltd.	AAFPC9022K	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
56	Bodies Corporate	PRPL Enterprises Pvt. Ltd (formerly known as Piramal Realty Pvt. Ltd.)	AAFPC7696H	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
57	Bodies Corporate	Piramal Residences Pvt. Ltd.	AAFPC9979F	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
58	Bodies Corporate	Piramal Retail Private Limited	AAGCP4769E	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
59	Bodies Corporate	Piramal Security Pvt. Ltd.	AAGCP7246J	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
60	Bodies Corporate	Piramal Shipyard Pvt. Ltd.	AAGCP7773G	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
61	Bodies Corporate	Piramal Sports Pvt. Ltd.	AAGCP8522K	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
62	Bodies Corporate	Piramal Systems & Technologies Pvt. Ltd.	AAGCP0503Q	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
63	Bodies Corporate	Piramal Televentures Pvt. Ltd.	AAGCP7776D	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group

Serial No.	Category	Name of the Shareholders (I)	PAN (II)	No. of the Shareholders (I)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN	Shareholder type
								No of Voting (XIV) Rights		Total as a % of Total Voting rights				
								Class eg: X	Total					
64	Bodies Corporate	Piramal Udgam Data Management Solutions	AABCU4778K	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
65	Bodies Corporate	Piramal Realty & Developers Pvt. Ltd. (formerly known as Piramal Urban Transport Network Pvt. Ltd.)	AAGCP8520M	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
66	Bodies Corporate	Piramal Water Pvt. Ltd.	AAECP7137N	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
67	Bodies Corporate	PRL Agastya Pvt. Ltd.	AACCN3947N	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
68	Bodies Corporate	PRL Developers Pvt. Ltd.	AAFPC9978E	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
69	Bodies Corporate	PRL InfraConstructions & Developers Pvt. Ltd.	AAGCP0376D	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
70	Bodies Corporate	PRL Properties LLP	AANFP5686N	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
71	Bodies Corporate	Propiedades Realities Pvt. Ltd.	AADCP7368N	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
72	Bodies Corporate	The Piramal Art Foundation	AAECT7384D	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
73	Trusts	The Sri Gopikrishna Trust	AABTT1795Q	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
74	Trusts	The Sri Govinda Trust	AABTT1797N	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
75	Trusts	The Sri Hari Trust	AABTT1794R	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
76	Bodies Corporate	The Swastik Safe Deposit & Investments Ltd.	AAACT3608G	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
77	Bodies Corporate	V3 Designs LLP	AAIFV8238P	1	97,01,000	97,01,000	4.06	97,01,000.00	97,01,000.00	4.08	4.06	97,01,000	-	Promoter Group
78	Bodies Corporate	Piramal Corporate & Management Services Pvt. Ltd.	AAICP6628A	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group



Serial No.	Category	Name of the Shareholders (I)	PAN (II)	No. of the Shareholders (I)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN	Shareholder type
								No of Voting (XIV) Rights		Total as a % of Total Voting rights				
								Class eg: X	Total					
79	Bodies Corporate	Anutham Realty Private Limited	AAPCA0024Q	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
80	Bodies Corporate	Sreekovil Realty Private Limited	AAXCS9234L	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
81	Trusts	Swati Piramal Trust	AAQTS1043P	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
82	Trusts	Nandini Piramal Trust	AACTN2438H	1	1,22,740	1,22,740	0.05	1,22,740.00	1,22,740.00	0.05	0.05	1,22,740	-	Promoter Group
83	Trusts	Anand Piramal Trust	AAETA9579L	1	1,39,327	1,39,327	0.06	1,39,327.00	1,39,327.00	0.06	0.06	1,39,327	-	Promoter Group
84	Trusts	The Gulita Trust	AADTT6430E	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
85	Bodies Corporate	Piramal Sons Pvt. Ltd.	AAACP6282E	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
86	Bodies Corporate	Piramal Trusteeship Services Pvt. Ltd.	AAJCP1914G	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
87	Bodies Corporate	Blue Crystal Constructions & Developers Pvt. Ltd.	AAECB2912P	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
88	Bodies Corporate	India Resurgence Asset Management Business Pvt. Ltd.	AAICP5573C	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
89	Bodies Corporate	India Resurgence ARC Pvt. Ltd.	AAICP4650Q	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
90	Bodies Corporate	Nithyam Realty Private Limited	AAFCN4346L	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
91	Bodies Corporate	Topzone Mercantile Company LLP	AAGFT9070R	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
92	Bodies Corporate	Bangplot Realtors & Developers LLP	AAOFB3459J	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
93	Bodies Corporate	PRL Agastya Buildcon Private Limited	AANCP0766C	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
94	Bodies Corporate	Piramal Pharma Limited	AALCP0909M	0	0	0	0.00	0.00	0.00	0.00	0.00	0	-	Promoter Group
<b>Total</b>				<b>8</b>	<b>10,32,00,972</b>	<b>10,32,00,972</b>	<b>43.24</b>	<b>10,32,00,972.00</b>	<b>10,32,00,972.00</b>	<b>43.45</b>	<b>43.24</b>	<b>10,32,00,972</b>		

10. Shareholding of Foreign Portfolio Investors Category I in our Company as on June 30, 2023

Serial No.	Name of the Shareholders (I)	PAN (II)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of equity utilization dematerialized form (XIV)	Reason for not providing PAN	Sub-categorization of shares		
						No of Voting (XIV) Rights		Total as a % of Total Voting rights				Shareholding (No. of shares) under		
						Class eg: X	Total					Sub-category (i)	Sub-category (ii)	Sub-category (iii)
<b>Disclosure of shareholder holding more than 1% of total number of shares</b>														
1	Caisse De Depot Et Placement Du Quebec	AADCC1811B	70,00,000	70,00,000	2.93	70,00,000	70,00,000	2.95	2.93	70,00,000	-	0	0	0
2	East Bridge Capital Master Fund Limited	AACCE9888M	98,58,500	98,58,500	4.13	98,58,500	98,58,500	4.15	4.13	98,58,500	-	0	0	0
3	East Bridge Capital Master Fund I Ltd	AAECE8814F	64,61,399	64,61,399	2.71	64,61,399	64,61,399	2.72	2.71	64,61,399	-	0	0	0
4	College Retirement –quities Fund - Stock Account	AAACC9040K	48,07,569	48,07,569	2.01	48,07,569	48,07,569	2.02	2.01	48,07,569	-	0	0	0
5	New World Fund Inc	AABCN3163H	34,62,934	34,62,934	1.45	34,62,934	34,62,934	1.46	1.45	34,62,934	-	0	0	0
6	Ti-a-Cref Funds - Tiaa-Cref Emerging Markets Equity Fund	AACAT2160P	24,00,529	24,00,529	1.01	24,00,529	24,00,529	1.01	1.01	24,00,529	-	0	0	0
7	Smallcap World Fund, Inc	AABCS3581L	23,92,000	23,92,000	1.00	23,92,000	23,92,000	1.01	1.00	23,92,000	-	0	0	0
<b>Total</b>			<b>3,63,82,931</b>	<b>3,63,82,931</b>	<b>15.24</b>	<b>3,63,82,931</b>	<b>3,63,82,931</b>	<b>15.32</b>	<b>15.24</b>	<b>3,63,82,931</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>

11. Shareholding of any other foreign institutional investors in our Company as on June 30, 2023

Serial No.	Category	Category / More than 1 percentage	Name of the Shareholders (I)	PAN (II)	No. of the Shareholders (I)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN	Sub-categorization of shares		
									No of Voting (XIV) Rights		Total as a % of Total Voting rights				Shareholding (No. of shares) under		
									Class eg: X	Total					Sub-category (i)	Sub-category (ii)	Sub-category (iii)
1	Other	Category	Foreign Bank	-	1	333	333	0.00	333	333.00	0.00	0.00	333	-	0	0	0
<b>Total</b>					<b>1</b>	<b>333</b>	<b>333</b>	<b>0.00</b>	<b>333</b>	<b>333.00</b>	<b>0.00</b>	<b>0.00</b>	<b>333</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>

12. Shareholding of non-institutional investors in our Company as on June 30, 2023

Serial No.	Category	Category / More than 1 percentage	Name of the Shareholders (I)	PAN (II)	No. of the Shareholders (I)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN	Sub-categorization of shares		
									No of Voting (XIV) Rights		Total as a % of Total Voting rights				Shareholding (No. of shares) under		
									Class eg: X	Total					Sub-category (i)	Sub-category (ii)	Sub-category (iii)
1	Trusts	Category	-	-	34	66,718	66,718	0.03	66,718	66,718	0.03	0.03	66,700	-	0	0	0
2	LLP	Category	-	-	86	6,18,025	6,18,025	0.26	6,18,025	6,18,025	0.28	0.26	6,18,025	-	0	0	0
3	HUF	Category	-	-	4,202	8,72,307	8,72,307	0.37	8,72,307	8,72,307	0.35	0.37	8,70,159	-	0	0	0
4	Unclaimed or Suspense or Escrow Account	Category	-	-	2	11,267	11,267	0.00	11,267	11,267	0.00	0.00	9,228	-	0	0	0
5	Clearing Members	Category	-	-	13	46,775	46,775	0.02	46,775	46,775	0.02	0.02	46,775	-	0	0	0
6	Overseas Corporate Bodies	Category	-	-	2	43,28,887	43,28,887	1.81	43,28,887	43,28,887	1.82	1.82	43,28,887	-	0	0	0
7	Overseas Corporate Bodies	More than 1 percentage of shareholding	Indiahold Limited	AACCI2021G	1	43,24,936	43,24,936	1.81	43,24,936	43,24,936	1.82	1.82	43,24,936	-	0	0	0
<b>Total</b>					<b>4,339</b>	<b>59,43,979</b>	<b>59,43,979</b>	<b>2.49</b>	<b>59,43,979.00</b>	<b>59,43,979</b>	<b>59,43,979.00</b>	<b>2.49</b>	<b>59,39,774</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>

13. List of top ten holders of Equity Shares as on June 30, 2023

Sr. No	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	The Sri Krishna Trust through its Trustee, Ajay G. Piramal and Swati A. Piramal	7,88,77,580	7,88,77,580	33.05
2.	Life Insurance Corporation of India	1,08,93,590	1,08,93,590	4.56
3.	East Bridge Capital Master Fund Limited	98,58,500	98,58,500	4.13
4.	V3 Designs LLP	97,01,000	97,01,000	4.06
5.	PRL Realtors LLP	89,73,913	89,73,913	3.76
6.	Caisse De Depot Et Placement Du Quebec	70,00,000	70,00,000	2.93
7.	East Bridge Capital Master Fund I Limited	64,61,399	64,61,399	2.71
8.	College Retirement Equities Fund – Stock Account	48,07,569	48,07,569	2.01
9.	Indiahold Limited	43,24,936	43,24,936	1.81
10.	New World Fund Inc.	34,62,934	34,62,934	1.45
	<b>Total</b>	<b>14,43,61,421</b>	<b>14,43,61,421</b>	<b>60.49</b>

14. List of top ten holders of non-convertible securities as per beneficiary position data of our Company as on June 30, 2023

S. No	Name of holder of Non-convertible Securities	Category of Holder	Amount (in ₹ crores)	% of total non- convertible securities outstanding
1.	Standard Chartered Bank	Bank	1,000.00	38.45%
2.	Sporta Technologies Private Limited	Corporate	150.00	5.77%
3.	Maithan Alloys Limited	Corporate	90.00	3.46%
4.	Niranjan Lakhumal Hiranandani	Individual	50.00	1.92%
5.	Dushyant Raojibhai Patel	Trust	40.00	1.54%
6.	Shyam Metalics and Energy Limited	Corporate	40.00	1.54%
7.	Shyam Ferro Alloys Limited	Corporate	35.00	1.35%
8.	Shringee Packaging & Ancilliary Private Limited	Corporate	35.00	1.35%
9.	Oxyzo Financial Services Private Limited	Corporate	32.40	1.25%
10.	Bharat Kanaiyalal Sheth	Individual	30.00	1.15%
	<b>Total</b>		<b>1,502.40</b>	<b>57.78%</b>

15. Shareholding of the Promoter and Promoter Group in our Company as on June 30, 2023:

Sr. No.	Name of the Promoter/ Promoter Group	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	Ajay G. Piramal*	1,817	1,817	0.00
<b>Promoter Group</b>				
2.	Swati A. Piramal	2,100	2,100	0.00
3.	Anand Piramal	1,97,097	1,97,097	0.08
4.	Nandini Piramal	45,487	45,487	0.02

Sr. No.	Name of the Promoter/ Promoter Group	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
5.	Lalita G. Piramal	1,234	1,234	0.00
6.	Peter DeYoung	1,08,000	1,08,000	0.05
7.	Anya Piramal DeYoung	48,000	48,000	0.02
8.	Master Dev Piramal DeYoung	48,000	48,000	0.02
9.	Ajay G. Piramal (Karta of Ajay G. Piramal HUF)	6,507	6,507	0.00
10.	Ajay G. Piramal (Karta of Gopikishan Piramal HUF)*	1,21,479	1,21,479	0.05
11.	AASAN Corporate Solutions Pvt. Ltd	20,13,875	20,13,875	0.84
12.	PRL Realtors LLP	89,73,913	89,73,913	3.76
13.	The Ajay G. Piramal Foundation	9,86,731	9,86,731	0.41
14.	The Sri Krishna Trust through its Trustee, Ajay G Piramal and Swati A Piramal	7,88,77,580	7,88,77,580	33.05
15.	Piramal Welfare Trust (Formerly known as The Piramal Enterprise Executives Trust)	23,85,806	23,85,806	1.00
16.	V3 Designs LLP	97,01,000	97,01,000	4.06
17.	Nandini Piramal Trust	1,22,740	1,22,740	0.05
18.	Anand Piramal Trust	1,39,327	1,39,327	0.06

\* Our Promoter holds in aggregate 123,296 Equity Shares (as reflected on the website of Stock Exchanges) in his individual capacity and as a karta of Gopikishan Piramal HUF.

#### 16. Details of the Directors' shareholding in our Company, as on June 30, 2023:

As on June 30, 2023, except the following, none of the Directors hold any Equity Shares, qualification shares or any outstanding options in our Company:

Sr. No	Name of the Directors	Designation	Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares
1.	Ajay G. Piramal	Chairman (Whole Time Director)	1,817	0.00%
2.	Swati A. Piramal	Vice – Chairperson (Whole Time Director)	2,100	0.00%
3.	Anand Piramal	Non – Executive, Non Independent Director	1,97,097	0.08%
4.	Nandini Piramal	Non – Executive, Non Independent Director	45,487	0.02%
5.	S. Ramadorai	Non – Executive, Independent Director	6,002	0.00%
6.	Vijay Shah*	Non – Executive, Non Independent Director	1,42,056	0.06%
7.	Gautam Doshi	Non – Executive, Independent Director	6,949	0.00%
8.	Suhail Nathani	Non – Executive, Independent Director	5,000	0.00%

\* Out of the 1,42,056 shares held, 1,38,825 Equity Shares are jointly held with his wife, Asmi Vijay Shah.

#### 17. Details of shareholding of Directors in subsidiaries and associates as of the date of this Draft Shelf Prospectus

##### Subsidiaries

Sr. No	Name of the Director	Designation	Name of Subsidiary*	Total number of Equity Shares	Total shareholding as a % of total number of equity shares
1.	Ajay G. Piramal	Chairman	Piramal Fund Management Private Limited	100 (jointly with our Company)	0.05%

Sr. No	Name of the Director	Designation	Name of Subsidiary*	Total number of Equity Shares	Total shareholding as a % of total number of equity shares
			Piramal Systems & Technologies Private Limited	10 (jointly with our Company)	0.01%
			Piramal Investment Advisory Services Private Limited	10 (jointly with our Company)	0.00%
			Piramal Capital & Housing Finance Limited ( <i>Formerly known as Dewan Housing Finance Corporation Limited</i> )	1 (as a nominee of our Company)	0.00%
			Piramal Securities Limited	100 (as a nominee of our Company)	0.00%
2.	Swati A. Piramal	Vice Chairperson	Piramal Capital & Housing Finance Limited ( <i>Formerly known as Dewan Housing Finance Corporation Limited</i> )	1 (as a nominee of our Company)	0.00%
			Piramal Securities Limited	100 (as a nominee of our Company)	0.00%
3.	Nandini A. Piramal	Non – Executive, Non Independent Director	Piramal Securities Limited	100 (as a nominee of our Company)	0.00%
4.	Anand Piramal	Non – Executive, Non Independent Director	Piramal Securities Limited	1 (as a nominee of our Company)	0.00%
5.	Vijay Shah	Non – Executive, Non Independent Director	Piramal Capital & Housing Finance Limited ( <i>Formerly known as Dewan Housing Finance Corporation Limited</i> )	1 (as a nominee of our Company)	0.00%
			Piramal Securities Limited	100 (As a nominee of Piramal Enterprises Limited)	0.00%

\* *The equity shares held by our Directors in the capacity of a nominee shareholder or as a joint holder.*

#### Associates

As on the date of this Draft Shelf Prospectus, our Directors do not hold any shares in our Associates.

#### 18. Statement of the aggregate number of securities of our Company and our Subsidiary purchased or sold by our Promoter, Promoter Group, our Directors and the directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Draft Shelf Prospectus.

No securities of our Company and our Subsidiaries have been purchased or sold by our Promoter, Promoter group, our Directors, directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Draft Shelf Prospectus.

19. (a) **Statement of capitalization (Debt to Equity Ratio) of our Company – Consolidated**

(₹ in crores, except debt/ equity ratio)

Particulars	Pre-Issue as at March 31, 2023	Post Issue as Adjusted*
<b>Debt</b>		
Debt Securities & Subordinated Liabilities	29,973.05	32,973.05
Borrowings (Other than Debt Securities)	19,609.76	19,609.76
<b>Total Debt (A)</b>	<b>49,582.81</b>	<b>52,582.81</b>
<b>Equity</b>		
Equity Share Capital	47.73	47.73
Other Equity	31,011.35	31,011.35
<b>Total Equity (B)</b>	<b>31,059.08</b>	<b>31,059.08</b>
<b>Debt/ Equity (C= A/B) (in times)</b>	<b>1.60</b>	<b>1.69</b>

\* The post issue Debt and Equity is only adjusted for the Issue and has not been adjusted for events occurring after March 2023 such as proposed buyback, dividend payments and any movement in borrowing or changes in equity post March 31, 2023. The debt-equity ratio post Issue is indicative on account of the assumed inflow of ₹ 3,000 crores from the proposed Issue. As stated above, the actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

(b) **Statement of capitalization (Debt to Equity Ratio) of our Company – Standalone**

(₹ in crores, except debt/ equity ratio)

Particulars	Pre-Issue as at March 31, 2023	Post Issue as Adjusted*
<b>Debt</b>		
Debt Securities & Subordinated Liabilities	4,322.18	7,322.18
Borrowings (Other than Debt Securities)	4,393.08	4,393.08
<b>Total Debt (A)</b>	<b>8,715.26</b>	<b>11,715.26</b>
<b>Equity</b>		
Equity Share Capital	47.73	47.73
Other Equity	23,986.73	23,986.73
<b>Total Equity (B)</b>	<b>24,034.46</b>	<b>24,034.46</b>
<b>Debt/ Equity (C= A/B) (in times)</b>	<b>0.36</b>	<b>0.49</b>

\* The post issue Debt and Equity is only adjusted for the Issue and has not been adjusted for events occurring after March 2023 such as proposed buyback, dividend payments and any movement in borrowing or changes in equity post March 31, 2023. The debt-equity ratio post Issue is indicative on account of the assumed inflow of ₹ 3,000 crores from the proposed Issue. As stated above, the actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

For details regarding total outstanding debt of our Company, see “Disclosures on Existing Financial Indebtedness” on page 190.

20. **Debt securities issued at a premium or a discount**

Except as set out in “Disclosures on Existing Financial Indebtedness” on page 190 of this Draft Shelf Prospectus, our Company has not issued debt securities at a premium or discount.

21. **Details of Promoter’s shareholding in our Joint Venture and Associate Companies**

Nil.

22. **Details of any acquisition or amalgamation in the preceding one year**

Except as disclosed under “History and Certain Corporate Matters- Scheme of Arrangement”, our Company has not made any acquisition or amalgamation in the last one year prior to the date of this Draft Shelf Prospectus.



**23. Details of any reorganization or reconstruction in the preceding one year**

There has been no reorganisation or reconstruction of our Company in the last one year prior to the date of this Draft Shelf Prospectus.

**24. Details of change in the promoter holding in our Company during the last financial year beyond 26 % (as prescribed by RBI)**

There has been no change in the promoter holding in our Company during the last financial year beyond 26%.

**25. Details of pledge or encumbrance of equity shares held by Promoter and Promoter Group**

Nil

**26. Employee Stock Option Scheme**

The details of our ESOP Schemes in force as on the date of this Draft Shelf Prospectus are set forth below:

**(i) Employee Stock Ownership Plan-2015**

The Piramal Enterprises Limited Senior Employees' Stock Ownership Plan-2015 ("ESOP Scheme 2015") is being implemented through the Piramal Enterprises Limited Senior Employees Welfare Trust and the Piramal Phytocare Limited Senior Employees Options Trust. The ESOP Scheme 2015 was approved by the shareholders on March 14, 2007 and amendment to the same was approved by the shareholders at the Annual General Meeting held on July 16, 2021. The ESOP Scheme has replaced the Piramal Healthcare Employee Stock Ownership Plan 2006 and is applicable to all employees of our Company and its wholly owned Subsidiaries.

Please refer below for the details of ESOP Scheme for the last three financial years and the current financial year:

Sr. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	From April 1, 2023 to the filing of the Draft Shelf Prospectus
1	Stock options granted	9,46,680	1,73,490	7,70,022	10,51,465
2	Stock options vested	3,79,420	8,52,505	71,217	NA
3	Stock options exercised	87,639	7,04,811	1,82,658	33,214
4	Total number of shares arising out of exercise of stock options	87,639	7,04,811	1,82,658	33,214
5	Stock options lapsed	90,547	41,622	13,555	-
6	Weighted average exercise price (in ₹)	875.12	1,029.75	758.04	-

## OBJECTS OF THE ISSUE

### Issue proceeds

Our Company has filed this Draft Shelf Prospectus for a public issue of secured, rated, listed, redeemable, non-convertible debentures for an amount of up to ₹3,000 crores. The NCDs will be issued in one or more tranches up to the Shelf Limit, on the terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue, which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus.

The Issue is being made pursuant to the provisions of the SEBI NCS Regulations and the Companies Act and the rules made there under. Our Company proposes to utilize the proceeds raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company (“**Net Proceeds**”) towards funding the objects listed under this section.

The details of the proceeds of the Issue are summarized below:

Particulars	Estimated amount (in ₹ crores)
Gross proceeds of the Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Less: Issue related expenses*	As specified in the relevant Tranche Prospectus for each Tranche Issue
Net Proceeds (i.e., Gross proceeds less Issue related expenses)	As specified in the relevant Tranche Prospectus for each Tranche Issue

\* The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.

### Requirement of Funds and Utilization of Net Proceeds

The following table details the objects of the Issue (collectively, referred to herein as the “**Objects**”) and the amount proposed to be financed from the Net Proceeds:

S. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing and for repayment/prepayment of interest and principal of existing borrowings of the Company*	At least 75%
2.	General corporate purposes**	Maximum up to 25%
<b>Total</b>		<b>100%</b>

\* Our Company shall not utilize the proceeds of this Issue towards payment of prepayment penalty, if any.

\*\* The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised and allotted in the Issue, in compliance with the SEBI NCS Regulations.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Issue.

### Issue related expenses

The expenses for this Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Consortium Members and intermediaries as provided for in the SEBI Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs’ commission/ fees, fees payable to sponsor bank, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for this Issue and the timeline for such payment for each Tranche Issue shall be as specified in the relevant Tranche Prospectus.

### Purpose for which there is a requirement of funds

As stated in “*Objects of the Issue – requirement of Funds and Utilization of Net Proceeds*” on page 86.

### Funding plan

Our Company confirms that for the purpose of this Issue, funding plan will not be applicable.

### Summary of the project appraisal report

Our Company confirms that for the purpose of this Issue, summary of the project appraisal report will not be applicable.

### **Schedule of implementation of the project**

Our Company confirms that for the purpose of this Issue, schedule of implementation of the project will not be applicable

### **Monitoring and reporting of utilisation of funds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant Financial Year commencing from Fiscal 2024, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon receipt of minimum subscription, i.e. 75% of base issue relating to each Tranche Issue, the execution of the documents for creation of security and the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchanges. Our Company shall within forty-five days from the end of every quarter submit to the Stock Exchanges, a statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued to be given till such time the issue proceeds have been utilised or the purpose for which these proceeds were raised has been achieved. Our Company shall utilise the proceeds of the Issue only upon execution of the documents for creation of Security and the Debenture Trust Deed and receipt of listing and trading approval from the Stock Exchanges as stated in the section titled "*Terms of the Issue*" on page 210 of this Draft Shelf Prospectus.

### **Interim use of proceeds**

The management of our Company, in accordance with the policies formulated by it from time to time, will have the flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds as may be approved by our Board of Directors or a committee thereof, in accordance with applicable law. Such investment would be in accordance with the investment policy of our Company approved by our Board of Directors or any committee thereof from time to time and applicable law.

### **General Corporate Purposes**

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by our Board of Directors or duly authorized committee thereof.

### **Variation in terms of contract or objects in this Draft Shelf Prospectus**

Our Company shall not, in terms of Section 27 of the Companies Act, at any time, vary the terms of the objects for which this Draft Shelf Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act. Further, in accordance with the SEBI Listing Regulations, in case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by SEBI from time to time.

### **Other confirmations**

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person or company who is a part of the Promoter Group or Group Companies.

Proceeds from the Issue shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property. No part of the proceeds from the Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from the Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds from the Issue, directly or indirectly, for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to an interest in either the capital or profit or losses or both in such business exceeding 50% thereof, the purchase or acquisition of any immovable property (direct or indirect) or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and

dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

There is no contribution being made or intended to be made by the Directors as part of the Issue or separately in furtherance of the Objects of the Issue.

**Benefit / interest accruing to our Promoter/Directors out of the object of the Issue**

Neither our Promoter nor our Directors are interested in the Objects of this Issue.

**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURES HOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

To

**The Board of Directors**

Piramal Enterprises Limited  
Piramal Ananta, Agastya Corporate Park,  
Opposite Fire Brigade, Kamani Junction,  
LBS Marg, Kurla (West),  
Mumbai – 400 070  
Maharashtra, India

Dear Sirs/ Madams,

**Statement of Possible Tax Benefits available to the debenture holders of Piramal Enterprises Limited (the “Company”) in connection with the proposed public issue of secured redeemable non-convertible debentures of face value of Rs. 1,000 each amounting to Rs. 3,000 crore (the “Debentures” or the “NCDs”) (hereinafter referred to as the “Issue”)**

1. This certificate is issued in accordance with the terms of our engagement letter dated July 31, 2023.
2. We hereby confirm that the enclosed Annexure, prepared by the Company, provides the tax provisions and possible tax benefits, if any, available to the potential debenture holders (“Investors”) subscribing in the NCDs of Company in the annexure (hereinafter referred to as “Statement of Tax Benefits” or the “Statement”) under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2023 (hereinafter referred to as the “IT Act”) in connection with the Issue., i.e. applicable for the financial year **2023-24** relevant to the assessment year **2024-25** respectively, presently in force in India. Several of these benefits are dependent on the Company or its debenture holders fulfilling the conditions prescribed under the relevant provisions of the IT Act. Hence, the ability of the Company and / or its debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its debenture holders may or may not choose to fulfil.

**Management’s Responsibility**

3. The preparation of this Statement as of the date of our certificate which is to be included in the draft shelf prospectus and/or shelf prospectus (the “Offering Document”) is the responsibility of the management of the Company.
4. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

**Auditor’s Responsibility**

5. Our responsibility is to examine whether the Statement prepared by the Company, is in accordance with applicable provision of the IT Act. For this purpose, we have read the Statement and evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect. We conducted our examination of the information given in the Statement in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ issued by the Institute of Chartered Accountants of India (“ICAI”), as revised from time to time; the aforesaid Guidance Note requires that we comply with the ethical requirements of the ‘Code of Ethics’ issued by the ICAI, as revised from time to time.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, ‘Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements’, issued by the Institute of Chartered Accountants of India, as revised from time to time.

**Inherent Limitations**

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. The benefits discussed in the enclosed Statement are not exhaustive. Several of these benefits are dependent on the Investors fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of Investors to derive the tax benefits is dependent on fulfilling such conditions.

8. In our opinion, the enclosed Statement prepared by the Company materially covers all the provisions of the IT Act with respect to taxability for debenture holders of the Company as at the date of our report
9. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. Neither are we suggesting nor advising the investor to invest money based on this Statement.
10. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its debenture holders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
11. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
12. This certificate is issued solely for the purpose of the Issue and can be used, in full or part, for inclusion in the Offer Documents, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority including SEBI and the Registrar of Companies, Maharashtra at Mumbai, stock exchanges, any other authority as may be required and/or for the records to be maintained by the lead managers appointed in connection with the Issue (the "**Lead Managers**") and in accordance with applicable law, and for the purpose of any defense the Lead Managers may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.
13. Accordingly, our certificate should not be quoted or referred to in any other document made available to any other person or persons, other than as required by law or by a competent regulatory authority (in which case you shall, unless prohibited by law, informed to us), without our prior written consent. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.
14. This certificate may be relied on by Lead Managers, namely A.K. Capital Services Limited, Nuvama Wealth Management Limited, JM Financial Limited and Trust Investment Advisors Private Limited, their affiliates and legal counsel in relation to the Issue.
15. We undertake to immediately inform the Lead Managers for the Issue in case of any material changes in respect to the matters covered in the annexed statement upon receipt of knowledge of the same from the Company, in writing, till the date when the NCDs of the tranche 1 of the Issue commence trading on BSE Limited and/ or National Stock Exchange of India Limited. In the absence of any such communication, it may be assumed that the above information is accurate and updated and there is no change in respect of the matters covered in this certificate.

**For Suresh Surana & Associates LLP**

Chartered Accountants

Firm Registration No. – 121750W/W-100010

**For Bagaria & Co LLP**

Chartered Accountants

Firm Registration No. – 113447W/ W-100019

**Santosh Maller**

Partner

Membership Number: 143824

UDIN:

23143824BGQQGD1945

Place: Mumbai

Date: August 28, 2023

**Rahul Bagaria**

Partner

Membership Number: 145377

UDIN:

23145377BGRAGB3313

Place: Mumbai

Date: August 28, 2023

**Cc:**

**Lead Managers**

**A.K. Capital Services Limited**

603, 6th Floor, Windsor  
Off CST Road, Kalina,  
Santacruz East, Mumbai 400 098  
Maharashtra, India

**Nuvama Wealth Management Limited**

801-804, Wing A, Building No.3  
Inspire BKC, G Block, Bandra Kurla Complex  
Bandra East, Mumbai – 400 051

**JM Financial Limited**

7th Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
Maharashtra, India

**Trust Investment Advisors Private Limited**

109/110, Balarama  
Bandra Kurla Complex  
Bandra (E), Mumbai – 400 051  
Maharashtra, India

## Annexure A

(To letter dated August 23, 2023)

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

The information provided below sets out the possible tax benefits available to the subscribers of secured, rated, listed, redeemable non-convertible debentures (“NCDs”) of an Indian company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposing of the NCDs under the current tax laws presently in force in India. Several of these benefits are dependent on the subscribers fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the subscribers to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives a subscriber faces, may or may not choose to fulfill.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Subscribers are advised to consult their own tax consultant with respect to the tax implications of an investment in the NCDs, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**THE SUBSCRIBERS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING THE NCDs IN YOUR PARTICULAR SITUATION.**

### **POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS UNDER THE INCOME TAX ACT, 1961, (“the IT ACT”) PRESENTLY IN FORCE IN INDIA ON ACQUISITION OF THE NCDs.**

1. The basis of charge of Indian income-tax would depend upon the residential status of the debenture holder during a tax year. The Indian tax year runs from April 1 until March 31.
2. If the debenture holder is an Indian tax resident, he is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act.
3. A debenture holder, who is treated as a non-resident for Indian income-tax purposes, is generally subject to tax in India only on his India-sourced income (i.e., income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India. Since the NCDs would be issued by an Indian company, any income in respect of the NCDs and/or gains arising to the non-resident debenture holder on transfer would generally be regarded as India-sourced income and would accordingly be taxable in India under the IT Act.
4. In case of non-resident debenture holders, the tax rates and the consequent taxation, mentioned in this part shall be further subject to any benefits available under the Double Taxation Avoidance Agreement (“DTAA” or “tax treaty”), if any, between India and the country of residence of the non-resident, subject to satisfying the relevant conditions including but not limited to:
  - a) conditions (if any) present in the said DTAA read with the relevant provisions of the Multilateral Instrument (“MLI”) as ratified by India with the respective country of which the said debenture holder is a tax resident;
  - b) non-applicability of General Anti-Avoidance Rule (“GAAR”); and
  - c) providing and maintaining necessary information and documents as prescribed under the IT Act read with applicable rules, circulars and/or notifications.
5. All references to NCDs hereinafter refer to secured, rated, listed, redeemable, non-convertible debentures unless stated otherwise.
6. **Determination of head of income for the purpose of taxability**

The returns received by the investors from the NCDs in the form of interest and/or gains or loss on transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains from business or profession (“PGBP”);
- Income from capital gains (“CG”); and
- Income from other sources (“IFOS”)



If the NCDs are held as 'Stock-in-trade', interest income as well as gain or loss on its transfer will be taxable under the head PGBP, whereas, if the NCD are held as 'Investments', then the interest income will be taxable under the head IFOS and any gain or loss on its transfer will be assessed to tax under the head CG.

For determining the appropriate head of income (as mentioned above) vis-à-vis the interest income or gains earned on/from the NCD, it will be pertinent to analyse whether the NCDs are held as 'Investments' i.e. capital asset or as 'Stock-in-trade'. The conclusion can vary based on the facts of each investor's case (taking into account factors such as the volume of purchases and sales, ratio between purchases and sales, the period of holding, whether the intention is to earn a profit from sale or to earn interest etc.).

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

Further, as per section 2(14) of the IT Act, 'capital asset' includes, *inter alia*, securities held by a Foreign Institutional Investor ("FII") [now known as Foreign Portfolio Investor] which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992 ("SEBI"). Accordingly, such securities, held by an FII, will be characterized as 'capital asset' and classification as 'Stock-in-trade' shall not apply.

*The investors may obtain specific advice from their tax advisors regarding the tax treatment of their investments.*

## **7. Taxation of Interest and Gain/Loss on transfer of NCDs**

### **A. RESIDENT DEBENTURE HOLDERS:**

#### **1. In respect of Interest on NCDs**

Interest on NCDs received by the NCD holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act. Interest will be assessed to income tax on an accrual basis or receipt basis depending on the method of accounting regularly employed by the debenture holder under section 145 of the IT Act.

#### **1.1 Taxable under the head PBBP**

As discussed above, depending on the particular facts of each case, the NCDs may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the interest on NCDs should be considered to be in the nature of business income and hence, chargeable to tax under the head PGBP.

#### **1.2 Taxable under the head IFOS**

Where the NCDs are held as investments by the debenture holders, then the interest income would be taxable under the head IFOS.

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

#### **2. In respect of Withholding taxes**

2.1 Interest on NCDs received by its holder would be subject to deduction of tax at source ("TDS") at the rate of 10% at the time of credit or payment, whichever is earlier as per the provisions of section 193 of the IT Act.

2.2 Prior to Finance Act 2023, section 193 provided for no TDS in case of any interest payable on any security issued by a company, where such security was in dematerialized form and listed on a recognized stock exchange in India. However, the said relaxation has been omitted by Finance Act 2023 with effect from April 1, 2023. Accordingly, TDS at the rate of 10% would now be deductible on listed NCDs.

2.3 Section 193 further provides for non-deduction of tax at source in certain cases.

Section 193 *inter alia* provides for no TDS where the aggregate amount of interest paid or likely to be paid during the financial year to an individual or HUF, being a resident, does not exceed ₹5,000 and such interest is paid by an account payee cheque.

- 2.4 No deduction of tax is required in case of resident individuals or resident Hindu Undivided Family (“HUF”) if self-declaration in Form no. 15G/15H is furnished as per section 197A(1A)/(1C).
- 2.5 Further, as per section 196, no deduction of tax shall be made by any person from any sums payable to –
- (i) the Government, or
  - (ii) the Reserve Bank of India, or
  - (iii) a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income, or
  - (iv) a Mutual Fund specified under clause (23D) of section 10
- 2.6 Further, section 197A(1E) provides no deduction of tax shall be made from any payment to any person for, or on behalf of, the New Pension System Trust referred to in clause (44) of section 10.
- 2.7 Section 206AA provides for a higher withholding rate in case of any person, who being entitled to receive any sum/ income on which TDS is deductible under Chapter XVIIIB (deductee), fails to furnish his Permanent Account Number to the person responsible for deducting such TDS. The withholding tax rates in case of such person shall be higher of the following:
- (i) at the rate specified in the relevant provision of the IT Act; or
  - (ii) at the rate or rates in force; or
  - (iii) at the rate of 20%.
- 2.8 Section 206AB provides for a higher withholding rate in case of any person (other than (a) a non-resident who does not have a permanent establishment in India or (b) a person who is not required to furnish the return of income for the assessment year relevant to the concerned previous year and is notified by the Central Government in the Official Gazette in this behalf) who has not filed the return of income for assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. The withholding tax rates in case of such person shall be higher of the following:
- (i) at twice the rate specified in the relevant provision of the IT Act; or
  - (ii) at twice the rate or rates in force; or
  - (iii) at the rate of 5%.

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

### 3. **In respect of Capital Gains arising from transfer of NCDs**

- 3.1 As discussed above, based on the particular facts of each case, the NCD may, in certain cases, be regarded to be held as ‘Investments’ in which case the gains or loss from the transfer of such NCD should be chargeable to tax under the head CG.
- 3.2 As per section 2(29AA) r.w.s. 2(42A) of the IT Act, a capital asset shall be treated as a long-term capital asset (“LTCA”), if the same is held for more than 36 months immediately preceding the date of its transfer. However, in case of a listed security, the same shall be treated as a LTCA, if it is held for more than 12 months immediately preceding the date of its transfer.
- 3.3 As per section 112 of the IT Act, Long Term Capital Gain (“LTCG”) arising on transfer of the NCDs would be subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, the amount of such tax shall be limited to 10% (plus applicable surcharge and education cess) without indexation, in case of listed NCDs.
- 3.4 As per the third proviso to section 48 of the IT Act, the benefit of indexation on the cost of acquisition of a LTCA under second proviso of section 48 of the IT Act, is not available in case of bonds and debenture, except capital indexed bonds and sovereign gold bonds.

- 3.5 Short Term Capital Gains (“STCG”) arising from transfer of the NCDs would be taxable as per the normal slab rates (plus applicable surcharge and education cess), subject to applicability of concessional tax regime.
- 3.6 Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112 of the IT Act. Also, the capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the NCDs from the sale consideration accrued to the respective NCD holder.
- 3.7 Section 54EE of the IT Act exempts long-term capital gains on transfer of any LTCA if the gains upto Rs. 50 lacs are invested in “long term specified assets” within six months from the date of transfer. The investment in long-term specified assets should be held for 3 years.

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

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

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

However, the said exemption shall not be available, if the debenture holder:

- a. Owns more than one residential house, other than the new asset, on the date of transfer of the NCDs; or
- b. Purchases any residential house, other than the new asset, within a period of 1 year after the date of transfer of the NCDs; or
- c. Constructs any residential house, other than the new asset, within a period of 3 years after the date of transfer of the NCDs;

and

- d. The income from such residential house, other than the one residential house owned on the date of transfer of the NCDs is chargeable under the head ‘Income from house property’.

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

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

- 3.9 As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- 3.10A new section 50AA has been inserted by Finance Act 2023 for computation of capital gains in case of inter alia Market Linked Debentures (“MLDs”) so as to tax the income from the same as short term capital gains irrespective of their period of holding. The NCDs under consideration are not MLDs and thus, the said section would not be applicable.

#### 4. **In respect of Business Income arising from transfer of NCDs**

- 4.1 As discussed above, depending on the particular facts of each case, the NCDs may, in certain cases, be regarded to be in the nature of ‘Stock-in-trade’ and, accordingly, the gains from the transfer of such NCD should be considered to be in the nature of business income and hence, chargeable to tax under the head PGBP.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a ‘net’ basis (i.e. net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act).

4.2 In terms of section 36(1)(xv) of the IT Act, the STT paid by the investor in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head PGBP, if the income arising from taxable securities' transaction is included in such income.

5. **In respect of Set off and carry forward of the losses**

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

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

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

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

6. In case, where total income of any individual, HUF, Association of Person ("AOP") (except in case of an AOP having only companies as its members), Body of Individuals ("BOI"), Artificial Juridical Person ("AJP") includes any income *inter alia* by way of capital gains under sections 111A, 112 and 112A, the rate of surcharge on the amount of income-tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

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

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

**B. NON-RESIDENT DEBENTURE HOLDERS OTHER THAN FOREIGN INSTITUTIONAL INVESTOR ("FII"):**

1. **In respect of Interest on NCDs**

Interest on NCDs received by the NCD holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act. Interest will be assessed to income tax on accrual basis or receipt basis depending on the method of accounting regularly employed by the debenture holder under section 145 of the IT Act.

1.1 **Taxable under the head PBBP**

As discussed above, depending on the particular facts of each case, the NCDs may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the interest on NCDs should be considered to be in the nature of business income and hence, chargeable to tax under the head PGBP.

1.2 **Taxable under the head IFOS**

Where the NCDs are held as investments by the debenture holders, then the interest income would be taxable under the head IFOS.

Section 57(i) grants deduction of any reasonable sum paid by way of commission or remuneration paid to a banker or any other person for the purpose of realizing dividend or interest on securities on behalf of the Assessee. Further, under

clause (iii) of section 57, deduction is allowable for any other expenditure (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of making or earning the income.

## 2. **In respect of Withholding taxes**

- 2.1 Interest on the NCDs received by its holder would be subject to withholding tax at source at the time of credit or payment, whichever is earlier as per the provisions of section 195 of the IT Act. The applicable income-tax rate for deduction of tax at source has been provided in Part II of First Schedule to Finance Act, 2023.

However, no/lower income-tax shall be deductible if the holder of the NCDs obtains a certificate under sections 195(3) or 197(1) from the Assessing Officer for no deduction of tax at source or lower deduction at source and that certificate is furnished to the Company before the prescribed date of closure of books of account of the Company for payment of debenture interest.

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

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

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

- (i) at twice the rate specified in the relevant provision of the IT Act; or
- (ii) at twice the rate or rates in force; or
- (iii) at the rate of 5%.

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

## 3. **In respect of Capital Gains from transfer of NCDs**

- 3.1 As discussed above, based on the particular facts of each case, the NCD may, in certain cases, be regarded to be held as 'Investments' in which case the gains or loss from the transfer of such NCD should be chargeable to tax under the head CG.
- 3.2 As per section 2(29AA) r.w.s 2(42A) of the IT Act, a capital asset shall be treated as a long-term capital asset (LTCA), if the same is held for more than 36 months immediately preceding the date of its transfer. However, in case of a listed security, the same shall be treated as a LTCA, if it is held for more than 12 months immediately preceding the date of its transfer.
- 3.3 Under the first proviso to Section 48 of the IT Act, in case of a non-resident investor, while computing the capital gains arising from transfer of the NCDs acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. The capital gains/loss in such a case is computed by converting the cost of acquisition, sale consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized for the purchase of the NCDs.
- 3.4 As per section 112 of the IT Act, Long Term Capital Gain (LTCG) arising on transfer of the NCDs would be subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, the amount of such tax shall, be

limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the debenture holder if the NCDs are listed.

- 3.5 As per the third proviso to section 48 of the IT Act, the benefit of indexation on the cost of acquisition of a LTCA under second proviso of section 48 of the IT Act, is not available in case of bonds and debenture, except capital indexed bonds and sovereign gold bonds.
- 3.6 Short Term Capital Gains (STCG) arising from transfer of the NCDs would be taxable as per the slab rates provided under Finance Act, 2023 (plus applicable surcharge and education cess), subject to applicability of concessional tax regime.
- 3.7 Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112 of the IT Act. Also, the capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the NCDs from the sale consideration accrued to the respective NCD holder.
- 3.8 Section 54EE of the IT Act exempts long-term capital gains on transfer of any LTCA if the gains upto Rs. 50 lacs are invested in “long term specified assets” within six months from the date of transfer. The investment in long-term specified assets should be held for 3 years.

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

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

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

However, the said exemption shall not be available, if the debenture holder:

- a. Owns more than one residential house, other than the new asset, on the date of transfer of the NCDs; or
- b. Purchases any residential house, other than the new asset, within a period of 1 year after the date of transfer of the NCDs; or
- c. Constructs any residential house, other than the new asset, within a period of 3 years after the date of transfer of the NCDs;

and

- d. The income from such residential house, other than the one residential house owned on the date of transfer of the NCDs is chargeable under the head ‘Income from house property’.

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

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

- 3.10 As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- 3.11 A new section 50AA has been inserted by Finance Act 2023 for computation of capital gains in case of *inter alia* Market Linked Debentures (MLDs) so as to tax the income from the same as short term capital gains irrespective of their period of holding. The NCDs under consideration are not MLDs and thus, the said section would not be applicable.

#### 4. **In respect of Business Income from transfer of NCDs**

- 4.1 As discussed above, depending on the particular facts of each case, the NCDs may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the gains from the transfer of such NCD should be considered to be in the nature of business income and hence, chargeable to tax under the head PGBP.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (i.e. net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act).

- 4.2 In terms of section 36(1)(xv) of the IT Act, the STT paid by the investor in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head PGBP, if the income arising from taxable securities transaction is included in such income.

#### 5. **In respect of Set off and carry forward of Losses**

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

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

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

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

6. Where the NCDs have been subscribed in convertible foreign exchange, Non-Resident Indians ("NRI"), i.e. an individual being a citizen of India or person of Indian origin who is not a resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:

- (i) Under section 115E of the IT Act, interest on NCDs shall be taxable in the hands of NRI at the rate of 20% (plus applicable surcharge and health & education cess) and the LTCG arising to the NRI shall be taxable at the rate of 10 % (plus applicable surcharge and health & education cess). While computing the LTCG, the benefit of indexation of cost would not be available.

- (ii) Under section 115F of the IT Act, LTCG arising to an NRI from the transfer of the debentures subscribed to in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets or in any saving certificates referred to in section 10(4B) of the IT Act, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets or saving certificate are transferred or converted into money within three years from the date of their acquisition.

- (iii) Under section 115G of the IT Act, it shall not be necessary for an NRI to furnish his return of income under section 139(1) of the IT Act if his total income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted thereon as per the provisions of Chapter XVII-B of the IT Act.

- (iv) In accordance with the provisions of Section 115H of the IT Act, where an NRI becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the IT Act to the effect that the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such investment income derived from the specified assets (which includes debentures issued by an Indian company which is not a private company) for that year and subsequent assessment years until such assets are transferred or converted into money.

- (v) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.

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

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

8. In case, where total income of any individual, HUF, AOP(except in case of an AOP having only companies as its members), BOI, Artificial Juridical Person includes any income *inter alia* by way of capital gains under sections 111A, 112 and 112A, the rate of surcharge on the amount of income-tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

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

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

9. As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of residence of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the IT Act or the applicable tax treaty (read with MLI, if applicable), whichever is more beneficial. The treaty and MLI provide for various anti-abuse provisions (*viz.* beneficial ownership, Limitation on Benefit, Principal Purpose Test, etc.) which have to be examined for claiming tax treaty benefit. In order to avail treaty benefit, the non-resident will also have to furnish a Tax Residency Certificate of his being a resident in a country outside India, alongwith Form No. 10F as prescribed under section 90(5) of the IT Act. Further, vide Notification No. 03/2022 dated 16 July 2022, the Directorate of Income Tax (Systems) has added Form 10F to the prescribed list of forms to be furnished electronically. Also, vide Circular dated December 12, 2022 r.w. Circular dated March 28, 2023, CBDT has relaxed the requirement of electronic filing of Form 10F till September 30, 2023 in case of non-resident taxpayers who are not having PAN and are not required to obtain PAN as per relevant provisions of IT Act read with Income-tax rules, 1962.

### C. NON-RESIDENT DEBENTURE HOLDERS – FIIs:

#### 1. In respect of Interest on NCDs

- 1.1 Section 115AD(1) provides for taxation of income of *inter alia* FIIs/FPIs from securities or capital gains arising from their transfer. The rate of income-tax prescribed for income in respect of securities *inter alia* debentures is 20% (plus applicable surcharge and education cess).
- 1.2 The computation of income has to be in accordance with section 115AD and other applicable provisions of the IT Act. FII/FPI debenture holders may avail tax treaty benefit (if any), subject to satisfaction of certain conditions.

#### 2. In respect of Capital Gains from transfer of NCDs

- 2.1 As per section 2(29AA) r.w.s 2(42A) of the IT Act, a capital asset shall be treated as a long-term capital asset (LTCA), if the same is held for more than 36 months immediately preceding the date of its transfer. However, in case of a listed security, the same shall be treated as a LTCA, if it is held for more than 12 months immediately preceding the date of its transfer.
- 2.2 Capital gains taxable under section 115AD would be computed without giving effect to the first and second proviso to section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would



not be allowed while computing the Capital Gains. The rate of income-tax prescribed under the said section on capital gains income is as under:

- (i) Short Term Capital Gains (other than gains covered under section 111A) – 30%
- (ii) Long Term Capital Gains – 10%

- 2.3 Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 115AD of the IT Act. Also, the capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the NCDs from the sale consideration accrued to the respective NCD holder.
- 2.4 Section 54EE of the IT Act exempts long-term capital gains on transfer of any LTCA if the gains upto Rs. 50 lacs are invested in “long term specified assets” (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

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

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

- 2.5 As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- 2.6 A new section 50AA has been inserted by Finance Act 2023 for computation of capital gains in case of *inter alia* Market Linked Debentures (MLDs) so as to tax the income from the same as short term capital gains irrespective of their period of holding. The NCDs under consideration are not MLDs and thus, the said section would not be applicable.

### 3. **In respect of Withholding taxes**

- 3.1 Interest on NCDs received by its holder would be subject to withholding tax at source at the time of credit or payment, whichever is earlier as per the provisions of section 196D of the IT Act. The applicable income-tax rate would be 20% (plus applicable surcharge and education cess) as provided under section 196D of the IT Act, subject to treaty benefit entitlement.
- 3.2 In the absence of PAN of the debenture holder, tax would be deductible at higher of, the applicable rate or 20% as per section 206AA of the IT Act. The provisions of section 206AA will, however not apply if the non-resident debenture holder provides to the payer the following details as listed in Rule 37BC:
- (i) name, e-mail id, contact number;
  - (ii) address in the country or specified territory outside India of which the debenture holder is a resident;
  - (iii) Tax Residency Certificate;
  - (iv) Tax Identification Number/ Unique Identification Number of the debenture holder.
- 3.3 Section 206AB provides for a higher withholding rate in case of any person (other than (a) a non-resident who does not have a permanent establishment in India or (b) a person who is not required to furnish the return of income for the assessment year relevant to the concerned previous year and is notified by the Central Government in the Official Gazette in this behalf) who has not filed the return of income for assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. The withholding tax rates in case of such person shall be higher of the following:
- (i) at twice the rate specified in the relevant provision of the IT Act; or
  - (ii) at twice the rate or rates in force; or
  - (iii) at the rate of 5%.

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

3.4 As per section 196D(2) of the IT Act, tax is not required to be deducted at source from any income, by way of Capital Gains arising to a FII from the transfer of securities referred to in section 115AD of the IT Act.

4. **In respect of Set off and carry forward of losses**

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

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

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

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

6. In case, where total income of any individual, AOP (except in case of an AOP having only companies as its members), BOI, Artificial Juridical Person includes any income *inter alia* by way of capital gains referred under section 115AD(1)(b), the rate of surcharge on the amount of income-tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

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

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

10. As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of residence of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the IT Act or the applicable tax treaty (read with MLI, if applicable), whichever is more beneficial. The treaty and MLI provide for various anti-abuse provisions (*viz.* beneficial ownership, Limitation on Benefit, Principal Purpose Test, etc.) which have to be examined for claiming treaty benefit. In order to avail treaty benefit, the non-resident will also have to furnish a Tax Residency Certificate of his being a resident in a country outside India, alongwith Form No. 10F as prescribed under section 90(5) of the IT Act. Further, vide Notification No. 03/2022 dated 16 July 2022, the Directorate of Income Tax (Systems) has added Form 10F to the prescribed list of forms to be furnished electronically. Also, vide Circular dated December 12, 2022 r.w. Circular dated March 28, 2023, CBDT has relaxed the requirement of electronic filing of Form 10F till September 30, 2023 in case of non-resident taxpayers who are not having PAN and are not required to obtain PAN as per relevant provisions of IT Act read with Income-tax rules, 1962.

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

1. W.e.f. FY 2020-21, the provisions of section 115AD are extended to a 'specified fund' defined under clause (e) of the Explanation to clause (4D) of section 10. 'Specified fund' is defined to mean a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate, –
  - (i) which has been granted a certificate of registration as a Category III Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012 made under the SEBI Act, 1992 or regulated under the IFSC (Fund Management) Regulations, 2022 made under the IFSC Authority Act, 2019;
  - (ii) which is located in any International Financial Services Centre; and
  - (iii) of which all the units are held by non-residents other than unit held by a sponsor or manager;

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

- (i) granted a certificate of registration as a Category I FPI under the SEBI (FPI), Regulations, 2019 made under the SEBI Act, 1992 which has commenced its operations on or before the 31<sup>st</sup> day of March, 2024; and
  - (ii) fulfils such conditions including maintenance of separate accounts for its investment division, as may be prescribed.
2. The rate of income-tax prescribed under section 115AD(1) on various streams of income is as under:
    - (i) Income in respect of securities *inter alia* debentures – 10%
    - (ii) Short Term Capital Gains covered under section 111A – 15%
    - (iii) Other Short Term Capital Gains – 30%
    - (iv) Long Term Capital Gains – 10%

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

3. The Finance Act, 2021 has further inserted a new sub-sections (1B) w.e.f FY 2021-22 which states that notwithstanding anything contained in section 115AD(1), in case of investment division of an offshore banking unit, the provisions of this section shall apply to the extent of income that is attributable to the investment division of such banking units.

The provisions of section 115AD shall apply only to the extent of income that is attributable to units held by non-resident (not being a permanent establishment of a non-resident in India) calculated in the prescribed manner. Further, as per section 115JEE, the provisions of Alternate Minimum Tax shall not apply to such specified funds.

4. Section 196D(1A) provides for deduction of tax on any income in respect of securities referred to in section 115AD(1)(a) at the rate of 10% (plus applicable surcharge and education cess). Provided that no deduction shall be made in respect of an income exempt under section 10(4D). In the absence of PAN, TDS rate would be increased to 20% as per section 206AA.

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

1. Under section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head “Profits and gains of business or profession” would be exempt from income tax. For this purpose, an “Investment Fund” means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012 or regulated under the IFSC (Fund Management) Regulations, 2022 made under the IFSC Authority Act, 2019.

As per section 115UB(1) of the IT Act, any income accruing/arising/received by a person from his investment in Investment Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly in the venture capital undertaking.

2. In case, the Fund incurs any losses, only the business losses would be eligible to be carried forward and set-off by the Fund at the Fund level. The prescribed conditions laid down under the IT Act for carry forward and set off of losses should be applicable to the Fund in this regard.
3. Losses other than business loss shall be allowed to be carried forward and set-off by the Unit holders while computing the total tax liability, provided that the units of the Fund are held for a period of more than 12 months. Further, such loss cannot be carried forward at Fund level even if the loss is not passed onto the Investors on account of non-fulfilment of condition of holding the units for at least 12 months. The eligible period for carry forward of losses would depend on the nature of loss.
4. Section 115UB of the IT Act further provides that:
  - (i) Income paid or credited by Fund shall be deemed to be of the same nature and in the same proportion in the hands of the Investors as it had been received by or had accrued or arisen to Fund.
  - (ii) Income accruing or arising to, or received by, Fund, during a particular financial year, if not paid or credited to the Investors shall be deemed to be credited to the account of the Investors on the last day of the financial year in the same proportion in which such Investors would have been entitled to receive the income, had it been paid in the same financial year.
5. As per section 10(23FBB) read with section 115UB of the IT Act, any business income, accruing or arising to or received by Investors of the Fund, shall be exempt in the hands of the Investors and taxed in the hands of the Fund at the rates specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.

Income received by Fund which is exempt in its hand under section 10(23FBA) would not be subjected to any withholding tax by virtue of section 197A(1F) read with Notification No.51/2015/SO1703(E) dated June 25, 2015.

6. Further, as per section 194LBB of the IT Act, where any income, other than that proportion of income which is of the same nature as income referred to in section 10(23FBB) of the IT Act, is payable to a unit holder in respect of units of an Investment Fund, the person responsible for making the payment shall, at the time of credit of such income to the account of payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon:
  - (i) at the rate of 10% where the payee is a resident; and
  - (ii) at the rates in force where the payee is a non-resident.

#### ***F. Mutual Funds:***

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

#### ***G. Provident Fund and Pension Fund:***

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

#### ***H. Multi-lateral and Bilateral development Financial Institutions:***

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

#### ***I. Withholding taxes on Purchase of Goods***

As per section 194Q of the IT Act, any sum payable by a buyer for purchase of goods of the value exceeding Rs. 50 Lakhs shall be liable to withhold tax at the rate of 0.1 percent.

Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds Rs. 10 crores in the financial year immediately preceding the financial year in which the purchase is carried out.

Further, TDS shall not be applicable where:-

- a. Tax is deductible under any of the provisions of the IT Act; or
- b. Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies.

The CBDT has issued Circular No 13 of 2021 dated June 30, 2021 laying down guidelines under section 194Q of the IT Act. It inter alia provides that TDS under section 194Q of the IT Act shall not apply to transaction in securities and commodities which are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporation (including exchanges or corporation located in IFSC).

Given that the Circular does not provide clarity in respect of shares/ securities traded off-market, it is advisable that the subscribers obtain specific advice from their tax advisors regarding applicability of these provisions.

Further, the CBDT has also inter alia clarified that the section 194Q of the IT Act shall not apply to a non-resident buyer, whose purchase of goods from a seller, resident in India, is not effectively connected with the permanent establishment of such non-resident in India.

For this purpose, 'permanent establishment' shall mean to include a fixed place of business through which the business of the enterprise is wholly or partly carried on.

**J. Documents required in cases of lower/ non-deduction of TDS due to exemption available**

Sr. No.	Class of NCD holders	Relevant Section which grants TDS exemption	Documents to be taken on record from NCD holders
1	Resident Individual or Resident HUF	For Non-deduction or lower deduction of tax at source u/s 193 of the IT Act	In case of NCD holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish the below mentioned documents: -  (a) a declaration (in duplicate) in the prescribed form i.e.  (i) Form 15H to be furnished by individuals who are aged 60 years or more  (ii) Form 15G to be furnished by all persons (other than companies, and firms),  or  (b) a certificate from the Assessing Officer under section 197 of the IT Act which can be obtained by all persons for nil / lower deduction of tax at source by making an application in the prescribed form (i.e. Form No.13.)
2	Non-residents- (Other than FIIs/FPIs)	For Non-deduction or lower deduction of tax at source u/s 195 of the IT Act	A certificate under section 197 of the IT Act from the Indian Assessing Officer for nil / lower deduction of tax at source by making an application in the prescribed form (i.e. Form No.13.)
3	Life insurance Corporation of India established under the Life Insurance Corporation Act, 1956 in respect of any securities owned by it or in which it has full beneficial interest	Clause vi of Proviso to Section 193 of IT Act.	Copy of Registration certificate.

Sr. No.	Class of NCD holders	Relevant Section which grants TDS exemption	Documents to be taken on record from NCD holders
4	a. General Insurance Corporation of India ("GIC"), b. Four companies formed u/s 16(1) of General Insurance Business (Nationalization) Act, 1972 and c. any company in which GIC or aforesaid four companies have full beneficial interest.	Clause vii of Proviso to Section 193 of the It Act.	Copy of Registration certificate. Copy of shareholding pattern.
5	Any other Insurer other than mentioned above in <b>Sr No. 2 &amp; 3.</b>	Clause viii of Proviso to Section 193 of the IT Act.	Copy of Registration certificate issued by Insurance Development Regulatory Authority (IRDA).
6	Mutual Funds	Section 196(iv) read with section 10(23D) of the IT Act	Copy of Registration certificate issued by SEBI / RBI. Declaration from the Mutual Fund with respect to income being exempt u/s 10(23D) of the IT Act.
7	The Government, RBI and corporation established under Central / State Act whose income is exempt from tax	Section 196(i), (ii) and (iii) of the IT Act	Documentary evidence to establish that Corporation is established under Central / State Act Documentary evidence with respect to income being exempt from tax with applicable provisions.
8	Recognized Provident Fund, Approved Gratuity Fund, Approved Superannuation Fund.	Section 10(25) of the IT Act and CBDT Circular - 18/2017 dated May 29, 2017.	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income tax authorities. Declaration from the fund with respect to income being exempt u/s 10(25) of the IT Act.
9	Employees State Insurance Fund set up under the provisions of the Employees' State Insurance Act, 1948	Section 10(25A) and CBDT Circular - 18/2017 dated May 29, 2017.	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities. Declaration from the fund with respect to income being exempt u/s 10(25A) of the IT Act.
10	New Pension System Trust.	Section 10(44) read with Section 197A(1E) and CBDT Circular - 18/2017 dated May 29, 2017.	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882 Declaration from the trust with respect to income being exempt u/s 10(44) of the IT Act.
11	Local Authorities	Section 10(20) etc. read with CBDT Circular - 18/2017 dated May 29, 2017.	Relevant Registration certificate Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income
12	Alternative Investment Funds (Category I and II)	Section 10(23FBA) read with section 197A(1F).	Copy of Registration certificate issued by SEBI.

### **K. Income tax on Gifts**

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

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

Rule 11UA of the Income-tax Rules, 1962 provides for the method for determination of the FMV of various properties (including shares).

### **L. General Anti Avoidance Rules (GAAR):**

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

THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX BENEFITS/CONSEQUENCES. THE NOTE SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

## SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

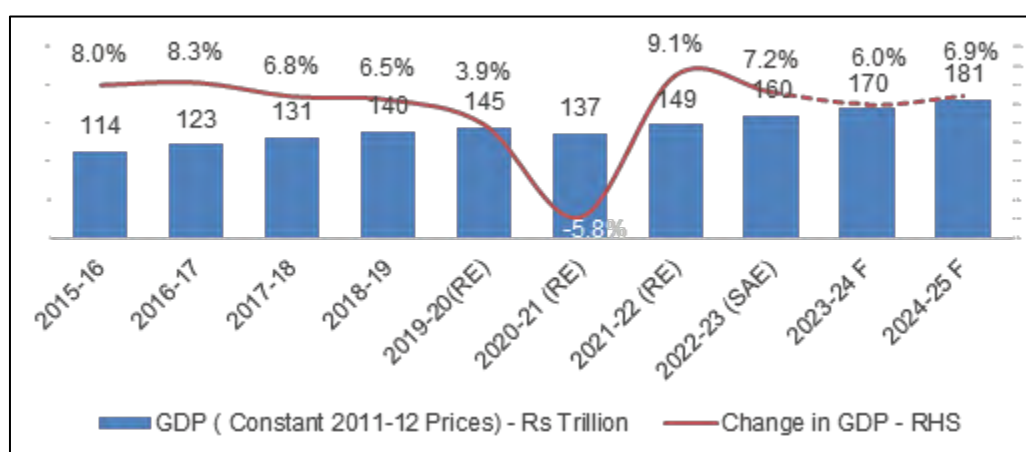
### INDUSTRY OVERVIEW

All the information contained in this section is derived from the CRISIL “Market Intelligence and Analytics Report” dated April 2023 on an “as is where is basis”. Neither we, nor any other person connected with the Issue has independently verified this third party and industry related information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. This section contains industry related data and statistics taken from the above mentioned report.

#### Overview of the Indian Economy

Before the pandemic, India was one of the fastest-growing economies in the world with a CAGR of 6.6% between fiscals 2015 and 2020. GDP is estimated to have shot up from Rs 105 trillion in fiscal 2015 to Rs 145 trillion in fiscal 2020 based on 2011-12 prices. While the economy was under pressure in the first half of the fiscal, due to the pandemic-induced, lockdown-led demand shocks and weak global demand, low oil and commodity prices provided some respite. The second half saw an uptick in mobility and in economic activity, as sentiment improved, coupled with people learning to live in the post-pandemic world. The opening up of vaccinations in the fourth quarter, albeit for a smaller section of the population, further boosted the sentiment, containing the contraction to 5.8% in fiscal 2021.

#### Movement of Indian GDP across years



Source: MOSPI, CRISIL MI&A Research

GDP grew 9.1% in fiscal 2022 to ~ Rs. 149 trillion on a low base, surpassing the pre-Covid-19 level of fiscal 2020. The resurgence of Covid-19 infections since March 2021 forced many states to implement localised lockdowns and restrictions to prevent the spread of the infection. In the beginning of May, the country reported the highest number of daily cases. The second round of lockdowns were less restrictive for economic activity than last year. Manufacturing, construction, agriculture, and other essential activities had been permitted to continue in most states while travel too was permitted unlike the first wave where all travel services were shut. The third wave in the fourth quarter of fiscal 2022 had minimal impact on the economy attributable to high rates of vaccination and people having learned to live with the pandemic.

The Indian economy recorded a 7.2% on-year growth in real GDP in fiscal 2023 reaching about Rs ~160 trillion. While the economic recovery continues to gather pace, it faces multiple risks. Global growth is projected to slow, as central banks in major economies withdraw easy monetary policies to tackle high inflation. This would imply lower demand for our exports. Together with high commodity prices, especially oil, this translates into a negative in terms of a trade shock for India. High commodity prices, along with depreciating rupee, indicate higher imported inflation.

Over the medium term, the Indian economy is projected recording a 6-7% on year growth boosted by healthy capital expenditure by the government, domestic consumption led growth, China + 1 strategy boosting manufacturing in India coupled with the PLI scheme. Slowing global economies would drag Indian exports restricting India's GDP growth.

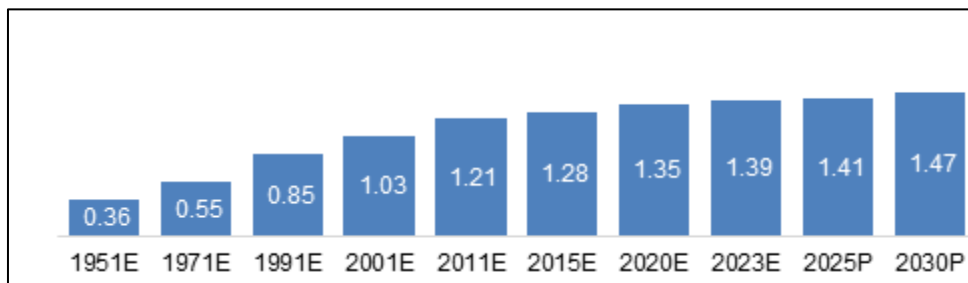


## Indigenous advantages to result in a stronger economic growth rate in the longer term

### India has the second-largest population in the world

As per the report published (in July 2020) by National commission on population, Ministry of Health & Family Welfare report, India’s population in 2011 was 121 crores, comprising nearly 24.6 crore households. It should be noted that decadal growth rate during 2001-2011 stood at 17%. This is estimated to have fallen to 12% during 2011-2021 and is likely to decline further to 9% during 2021-2031. However, with 147 crore estimated population in 2030, India will continue to be a major opportunity market from demand perspective.

### India’s population growth trajectory (billion)



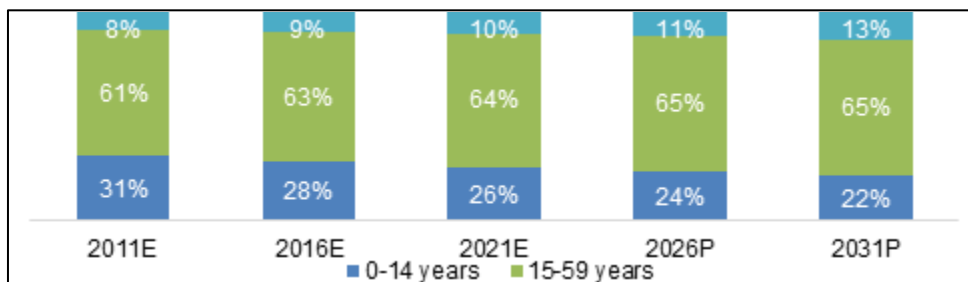
Note: P – Projected, E – Estimates

Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

### Favourable demographics

India is also one of the countries with the largest youth population, with a median age of 28 years. About 90% of Indians are aged below 60 years. It is estimated that 64% of this population is aged between 15 and 59 years. CRISIL MI&A Research expects the existence of a large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth of the Indian financial services sector.

### India’s demographic division (share of different age groups in India’s population)



Note: P – Projected, E – Estimates

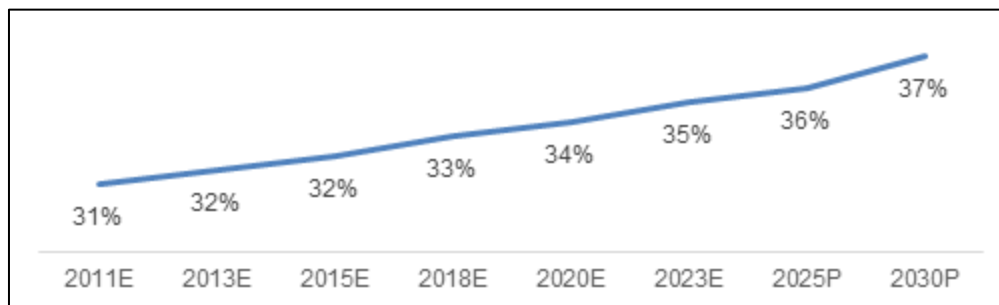
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

### Rise in urbanization

Urbanisation is a key growth driver for India, as it leads to faster infrastructure development, job creation, development of modern consumer services, and the city’s ability to mobilise savings. The share of urban population in total population has been consistently rising over the years and is expected to reach 35% by 2021 from 31% in 2011, spurring more demand.

Urban consumption in India has shown signs of improvement and given the country’s favourable demographics, coupled with rising disposable incomes, the trend is likely to continue and drive domestic economic growth.

## Urbanisation in India



Note: P – Projected, E – Estimates

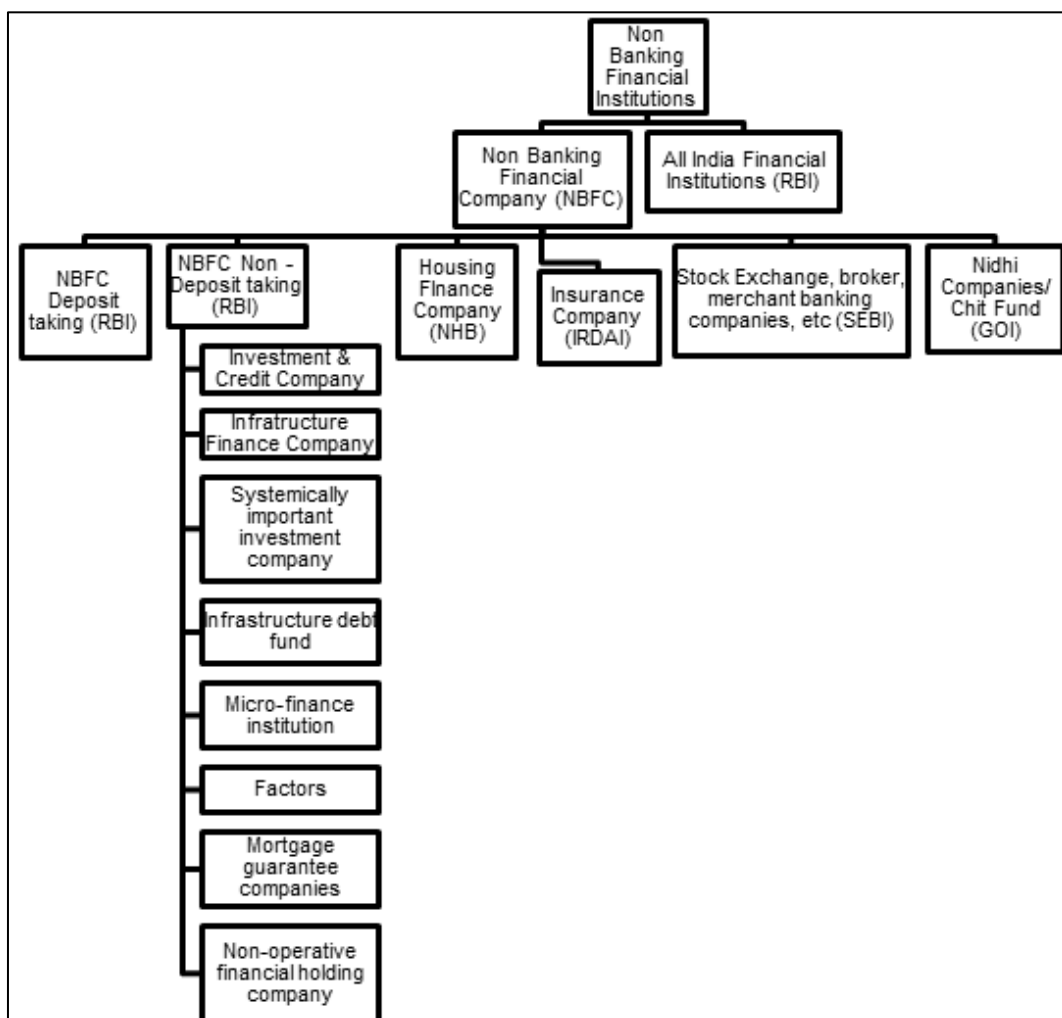
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

## Overall NBFC – Industry overview

### NBFCs are important part of the credit system

Financing needs in India have risen in sync with the notable economic growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban reaches and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion.

### Structure of non-banking financial institutions in India



Note: The regulatory authority for the respective institution is indicated within the brackets; All-India Financial Institutions include NABARD, SIDBI, EXIM Bank

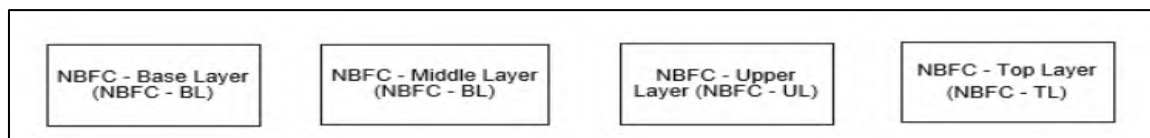
Source: RBI, CRISIL MI&A Research

## Scale based classification

As per RBI circular dated October 22, 2021, the central bank introduced Scale Based Regulation (SBR) framework for classification of NBFCs along with the activity-based classification of NBFCs as per earlier regulations. The revised SBR framework shall be effective from October 01, 2022

As per the revised framework NBFCs will be classified into four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer will be known as NBFC – Base Layer (NBFC BL), NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is expected to be empty and will be known as NBFC - Top Layer (NBFC - TL).

### Classification on the basis of scale-based regulation



Source: RBI, CRISIL MI&A Research

**Base Layer – NBFC – BL** shall comprise of (a). Non deposit taking NBFCs below asset size of Rs 1000 crore and (b). Following NBFCs – (i) NBFC P2P, (ii) NBFC – AA, (iii) NOHFC, and (iv) NBFCs not availing public funds and not having any customer interface

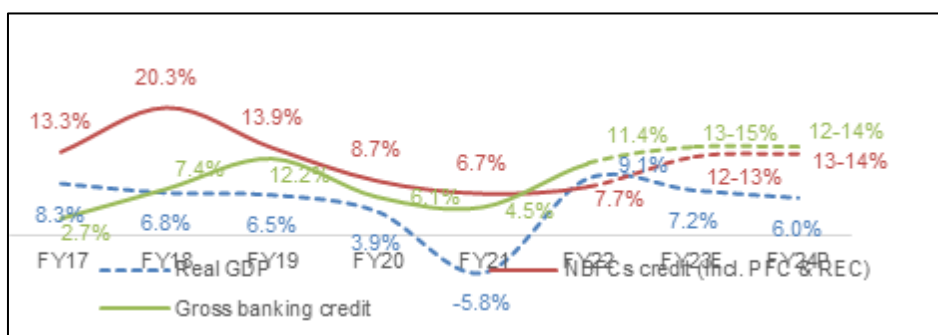
**Middle Layer – NBFC – ML** shall comprise of (a). All deposit taking NBFCs irrespective of asset size, (b). Non-deposit taking with asset size of Rs 1000 crore and above and (c). Following NBFCs – (i) Standalone primary dealer (SPD), (ii) Infrastructure debt fund (IDF), (iii) Core investment companies (CIC), (iv) Housing finance companies (HFCs) and (v) Infrastructure finance companies (IFCs) Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be. They will not be placed in the Upper Layer till further notice by RBI.

**Upper Layer – NBFC – UL** shall comprise of NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

**Top Layer – NBFC – TL** shall be populated only if in opinion of RBI there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall be moved to Top layer from the Upper layer.

## NBFCs rebound to double-digit credit growth amid economic revival

### Led by retail segments, NBFCs to grow 13-14% in fiscal 2024



Note: P: Projected, E: Estimated

Source: RBI, National Housing Bank (NHB), Ministry of Finance, company reports, CRISIL MI&A Research

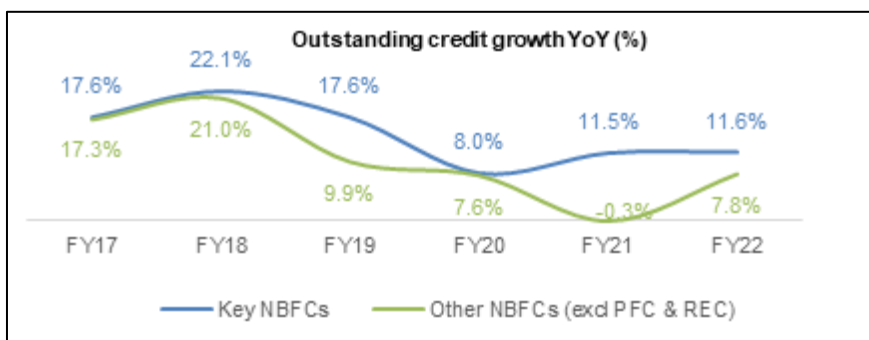
The Reserve Bank of India (RBI) kept policy rates unchanged in April 2023 compared with a 25 basis points (bps) hike in the previous policy. CRISIL MI&A Research believes that RBI will remain on pause as long as inflation does not rise materially above its forecast. Typically, the real economy faces the impact of monetary policy changes with a lag of 3-4 quarters. Hence, the rate hikes so far are expected to slow growth and moderate inflation this fiscal. Central banks globally, too, seem close to the end of the rate hike cycle, but financial disruption risks remain high. External risks are high as well, on account of the rise in interest rates being sharper in advanced economies. India's macros remain well positioned for now but will need to be monitored for any major global spill overs to manoeuvre policy.

Fiscal 2021 was largely affected by the pandemic, a sudden standstill in economic activities, and a slowdown in credit demand. In fiscal 2022, the economy began to reopen amid easing of lockdowns after the second wave abated, leading to business activities normalising, which in turn drove credit growth across most segments.

In this milieu, NBFCs are back on track with estimated credit growth of 12-13% in fiscal 2023, with outstanding credit reaching ~Rs 38 trillion including housing finance companies (HFCs), Power Finance Corporation (PFC), and Rural Electrification Corporation (REC). The growth trend should continue, with credit growth expected at 13-14% in fiscal 2024, driven by key retail segments, such as housing, automotives (auto), and microfinance. Furthermore, micro, small and medium enterprises (MSME) lending has witnessed increased traction over the past two fiscals, with a focus on unsecured business loans.

### Key NBFCs showed resilience during the pandemic

The NBFC industry is home to some strong players that are market leaders and/or have parental support. These players have been resilient during times of distress and are able to outgrow overall trends in the non-banking space. Shored up by their historic growth trends, these key NBFCs are aided by their market size, parental support, benefit of lower cost of funds, and superior ratings, among others.

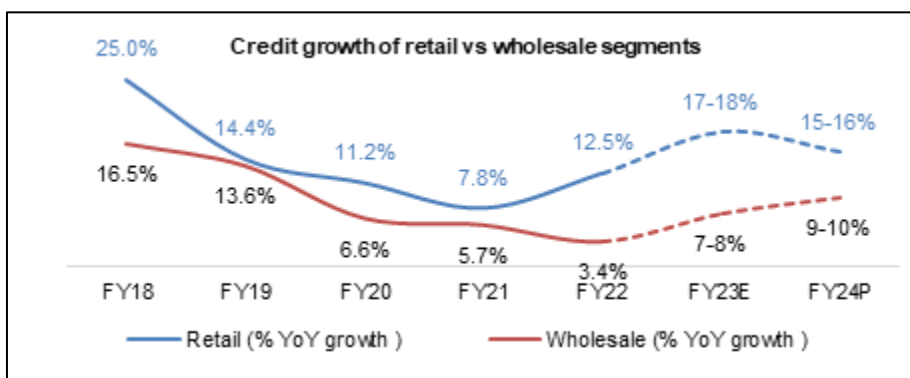


Note: The definition of key NBFCs is driven by their book size (above Rs 500 billion as of March 2022) and is influenced by factors such as external credit ratings, market leadership in the relevant verticles, and/ or support received from parent/group entities. These entities form ~50% of overall NBFC lending towards the retail and wholesale segments (excluding PFC and REC)

Source: RBI, NHB, Ministry of Finance, Company reports, CRISIL MI&A Research

While pandemic-induced disruptions had resulted in an economic standstill in the first half of fiscal 2021, the key NBFCs showed resilience amid gradual pick-up in with economic activity, performing better than the other set of NBFCs, which conserved capital on account of uncertainties and stressed asset quality during the pandemic. CRISIL MI&A Research expects that the credit growth gap between these players is bridged, the other set of NBFCs will grow faster than the key ones, supported by improved economic condition and continued focus on their penetration into tier II cities and beyond.

### Retail segments continue to drive NBFCs’ credit growth



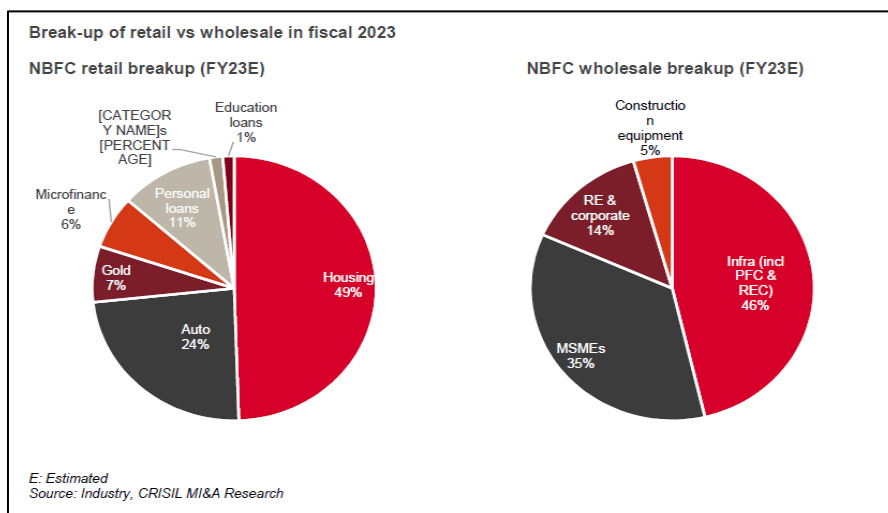
Note: P: Projected, E: Estimated

1) Retail includes housing, auto, gold, microfinance, personal loans, consumer durables, and education

2) Wholesale includes MSME, real estate, and large corporate, infrastructure, and construction equipment

Source: Industry, CRISIL MI&A Research

Following the NBFC crisis, growth was driven primarily by the retail segment, while the wholesale segment grew in low single digits from fiscal 2020 to fiscal 2022. However, this trend is estimated to have changed in fiscal 2023, with the wholesale segment recovering slowly to 7-8%, driven by MSMEs, while retail continued to outperform at 17-18%. Continued focus on retail and announcement of multiple players to reduce the wholesale exposure will lead to market share gains for the retail and wholesale segments at 53% and 47%, respectively, by the end of fiscal 2024.



### Retail segments continue to lead overall NBFC credit growth

		Change in credit at NBFCs (% yoy)		
		CAGR FY18-22	FY23E YoY	FY24P YoY
	<b>Housing</b>	8%	12-14%	12-14%
	<b>Auto</b> (all segments)	8%	15-17%	12-14%
	<b>Personal loan</b>	33%	44-46%	21-23%
	<b>Gold</b>	19%	5-7%	10-12%
	<b>Micro Finance</b>	28%	30-35%	25-30%
	<b>Consumer durables</b>	25%	20-22%	22-24%
	<b>Education</b>	19%	80-83%	35-38%
<hr/>				
	<b>MSME</b>	16%	15-16%	14-15%
	<b>Corporate &amp; Real estate</b>	-2%	(6-8)%	(4-6)%
	<b>Infrastructure</b>	8%	5-7%	8-10%
		<5%	5-10%	>10%

P: Projected, E: Estimated

Note: Red: <5%; Amber: 5-10%; Green: >10%

Source: Company reports, CRISIL MI&A Research

Housing saw HFCs register a healthy CAGR of 16% over fiscals 2015-2020, led by increasing demand from Tier II and III cities, rising disposable income, and government initiatives such as the Pradhan Mantri Awas Yojana, interest rate subvention schemes, and fiscal incentives.

Auto finance registered healthy CAGR of 14% over fiscals 2015-2020, led by strong demand across segments. The auto finance book for NBFCs is anticipated to have increased 15-17% on-year in fiscal 2023 from a meagre 4.6% on-year increase in the previous two fiscals, while that for banks is estimated to have grown 20-22% in fiscal 2023. The overall auto finance industry is estimated to have grown 17-19% in fiscal 2023. However, the growth will moderate in fiscal 2024, with NBFCs growing at 12-14% and banks at 13-15%. Pent-up demand and launches will drive sales of cars and utility vehicles, while the infrastructure

sector will significantly impact the demand for commercial vehicles, fleet replacement, and last-mile connectivity. Banks will gain a higher market share in this industry than NBFCs.

Microfinance registered CAGR of 40% between fiscals 2015 and 2020 on account of players undergoing an expansionary phase and NBFCs increasingly catering to the credit needs of micro players. Growth picked up from second quarter of fiscal 2023 due to revived pent-up demand amid ebbing of the impact of the pandemic.

MSMEs were heavily affected by the first and second waves of the pandemic in fiscal 2021 and the first quarter of fiscal 2022, respectively. Demand and supply disruptions amid frequent lockdowns and government restrictions had a sharp impact on the sector due to its close link to economic activity. However, economic activity revived in fiscal 2022, resulting in credit growth of ~9%. Further, with continued recovery and increased requirement of additional working capital with resumption in business and inflation has led to an estimated growth of 15-16% during fiscal 2023.

Real estate and corporate sectors saw the wholesale portfolio of NBFCs/HFCs being systematically curated to de-grow, with the sectors collectively shifting their focus towards the retail business, leading to de-growth of 5% in fiscal 2022. CRISIL MI&A research expects the Wholesale credit to further de-grow 6-8% in fiscal 2023 and 4-6% in fiscal 2024, with expected real estate disbursement picking up for a few HFCs/NBFCs in fiscal 2024.

### **Asset quality to improve gradually**

Asset quality across the retail and wholesale segments was affected by pandemic-induced stress over the past two fiscals. The intensity of stress varied across segments based on the asset class. Relief measures by the government and the RBI, such as moratorium and OTR schemes, further brought down the asset quality.

Nevertheless, collection efficiency improved in the second half of fiscal 2022 on account of normalisation of economic activity and resumption in credit flow amid a mild impact of the third wave of the pandemic. The growth trend is expected to continue in fiscal 2023.

Housing is expected to fare relatively better, as the salaried class, which is the primary customer profile for housing loans, was not affected majorly during the pandemic. Auto saw stress levels, which had peaked in fiscal 2021, return to pre-pandemic levels in fiscal 2023. Though GNPA's moderated to an extent, certain segments, such as two-wheeler lending, remain stressed. GNPA's have been gradually course correcting from a high of 6.8% in fiscal 2022 an estimated 4-5% in fiscal 2023 and are expected to come down to 3.75-4.75% in fiscal 2024.

Microfinance GNPA's fell to 4.4% in the third quarter of fiscal 2023 from 5.9% in the fourth quarter of fiscal 2022 and are estimated to have further moderated to 4-4.5% in fiscal 2023 as the industry bounces back to normal collections and disbursements.

MSME GNPA's reached 6-7% in fiscal 2021 due to increased stress on MSME borrowers, who were hit the hardest by Covid-19. The first quarter of fiscal 2022 was no better, with the second wave of the pandemic impacting economic activity, leading to increased stress in the MSME segment. However, the impact on asset quality was cushioned by the second OTR announced by the RBI in May 2021. Uptick in economic activity should help improve the asset quality of NBFCs, with MSMEs GNPA expected at 4-5% in fiscal 2024.

Real estate and corporate faced the highest stress across all segments. CRISIL MI&A Research estimates overall stress in the wholesale book to be high. This includes contractual moratorium, book under extension by date for commencement for commercial operations (DCCO) extension and book that is estimated to have opted for OTR.

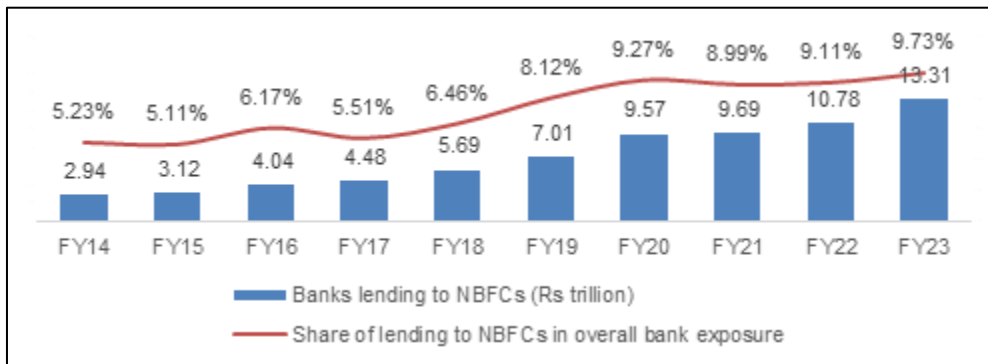
### **Bonds and debentures remain the largest fund source for large NBFCs**

Large NBFCs (with loan book > Rs 500 billion) primarily depend on bonds and debentures for their funding requirements due to their strong market presence and good performance. However, the share of bonds in the borrowing mix started declining following the NBFC crisis in fiscal 2019 and stood at 38% in fiscal 2021 compared with 50% in fiscal 2017.

Liquidity issues in the domestic market have led to some large NBFCs tapping overseas funding options through the external commercial borrowing (ECB) route, leading to ECBs holding a 5% share in the borrowing mix compared with 2% in fiscal 2017.

Furthermore, short-term borrowings from commercial papers (CPs) have been reducing across all NBFCs and are getting replaced by borrowings from NHB for HFCs and short-term loans from banks. Bank funding to NBFCs is expected to continue given the high liquidity held by banks and limited lending opportunities until growth revives. This will result in the share of banks in the borrowing mix increasing across all NBFCs.

### Bank lending to NBFCs increased ~23% in fiscal 2023



Source: Company reports, CRISIL MI&A Research

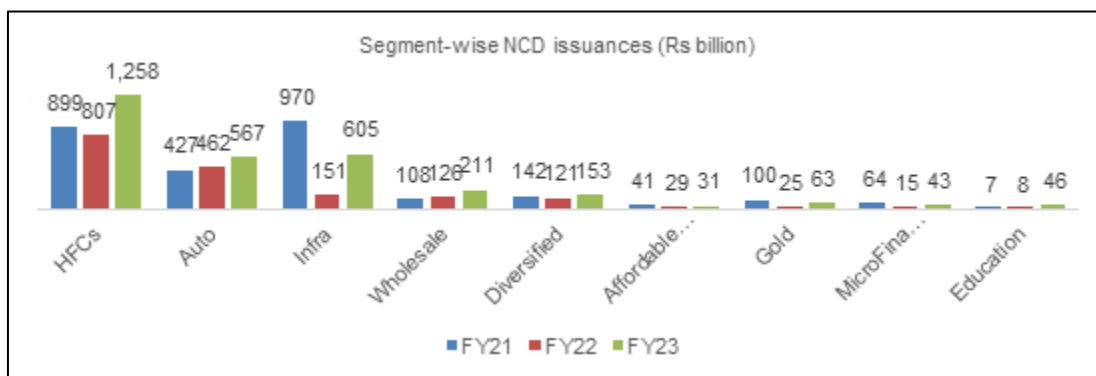
The share of bank lending to NBFCs has almost doubled in the last 10 years. During fiscal 2023, with interest rate tightening and repo increasing by 250 bps to 6.50%, the cost of debt market borrowing increased leading to high-risk premium for lower rates NBFCs. This resulted in bank term loans becoming the preferred source of borrowing. This was also supported improved credit growth during the current fiscal across all segments leading to higher demand of bank credit from NBFCs

### Non-convertible debentures to pick up in fiscal 2023

NCD issuances dipped in fiscal 2022 as a result of investments in NBFCs declining amid asset quality concerns. The issuances were majorly by larger players with good parental support and a strong credit rating and fell on-year by ~37% to Rs 1.7 trillion in fiscal 2022 from Rs 2.8 trillion in fiscal 2021. That said, issuances picked up in fiscal 2023 to around Rs 3 trillion.

NCD issuances in fiscal 2023 surpassed fiscal 2020 levels across all retail segments, with education loans increasing the highest on a low base of fiscal 2022. Issuances picked up in the wholesale segment as well, with infrastructure finance issuers witnessing a healthy increase.

### Retail NCD issuances perform better than wholesale ones



Note: Top 100 companies in terms of AUM considered for issuances

Source: CRISIL MI&A Research

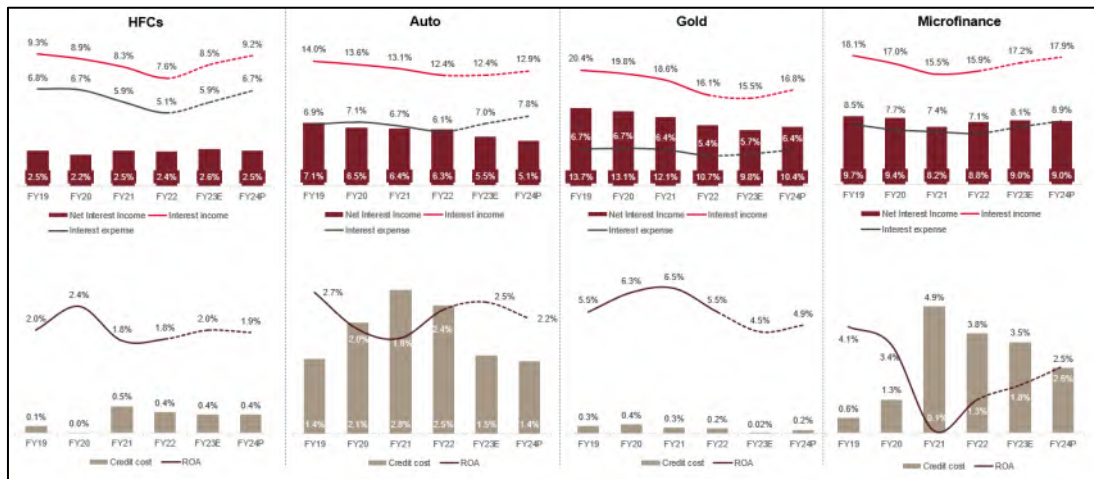
### Mid- and small-sized players benefit from lower cost of funds in the last two fiscals

Historically, borrowing costs, yields, and spreads have varied significantly across large, mid-sized, and small NBFCs. Large NBFCs were able to attain funds at lower costs and had the ability to pass on the benefit to customers, resulting in lower spreads. However, smaller NBFCs had to keep their yields much higher than the costs as they regularly incurred increased credit costs due to higher GNPA's.

Furthermore, credit costs declined for large players in fiscal 2022 due to improvement in collection efficiency with markets opening up for business. In fiscal 2023, we estimate a gradual recovery across sectors amid signs of recovery in the credit impact, aided by improving collection efficiency.



## Increase in interest yields and better credit cost supported RoA in fiscal 2023



Note: The above ratios are calculated on average total assets

Source: Company reports, CRISIL MI&A Research

Estimated decrease in credit cost and improved NIM were the key reasons behind profitability increasing across most segments in fiscal 2023. Overall yield and cost of funds for the retail segment are estimated to have gone up in fiscal 2023 due to rise in interest rates. However, the passing on of costs has varied across segments in relation to the specific nuances of each segment.

**Housing:** The yield on advances reduced by 80 bps in fiscal 2022 on account of historically low home loan rates and heightened competition from banks. The RBI maintained an accommodative stance in fiscal 2022, and no increase in the repo assisted in reduction in the cost of borrowing almost equally, resulting in an ROA to 1.8% in fiscal 2022. With the Central bank hiking the repo rate during fiscal 2023, CRISIL MI&A Research estimates the yield on assets to have increased at a faster pace vis-à-vis the increase in weighted average cost of funds translating into improvement in margins and return on assets to 2.6% and 2.0% respectively.

**Auto:** Most auto loans have a fixed rate, and financiers will be able to transfer the burden of the increased rate only gradually. On the other hand, since auto lenders have a floating rate for over 60% of their borrowings, they will face a quicker impact of the increased rate. Credit cost, in contrast, saw an improvement, leading to RoA inching up to 2.4-2.6% in fiscal 2023 and expected to moderate marginally in fiscal 2024.

### Securitisation volume rises 33% to Rs 1.8 trillion but remains below pre-pandemic levels

The securitisation market in India grew at a healthy pace in fiscal 2023. Cumulative securitisation volume surpassed Rs 1,150 billion in the first nine months of the fiscal and crossed Rs 650 billion in the final quarter. . A wider participation of the number of originators with ~160 originators and ~110 investors in fiscal 2023. This compares with ~130 originators and ~90 investors in fiscal 2022.

The upward trend in the securitisation volume for fiscal 2023 vis-à-vis fiscal 2022 zoomed to Rs.1,800 billion. NBFCs experienced an increase in funding requirements to meet the strong growth retail credit demand despite the rising in policy repo rates during fiscal 2023. The amendments notified in the RBI guidelines on December 5, 2022, bars lenders from securitizing loans that mature in less than 365 days. The aforesaid, can impact the securitisation volumes for short tenures loans and remains a key monitorable.

### Housing finance – Review and Outlook

#### Housing finance growth to continue this fiscal

The housing finance sector in India comprises financial institutions (FIs), scheduled commercial banks, scheduled cooperative banks, regional rural banks, agriculture and rural development banks, housing finance companies (HFCs), state-level apex co-operative housing finance societies, and non-banking finance companies (NBFCs). The Indian retail housing finance market stood at Rs 26,285 billion as of March 2022. Of this, Rs 8,742 billion was housing loans of NBFCs, including HFCs, up ~12% on-year.

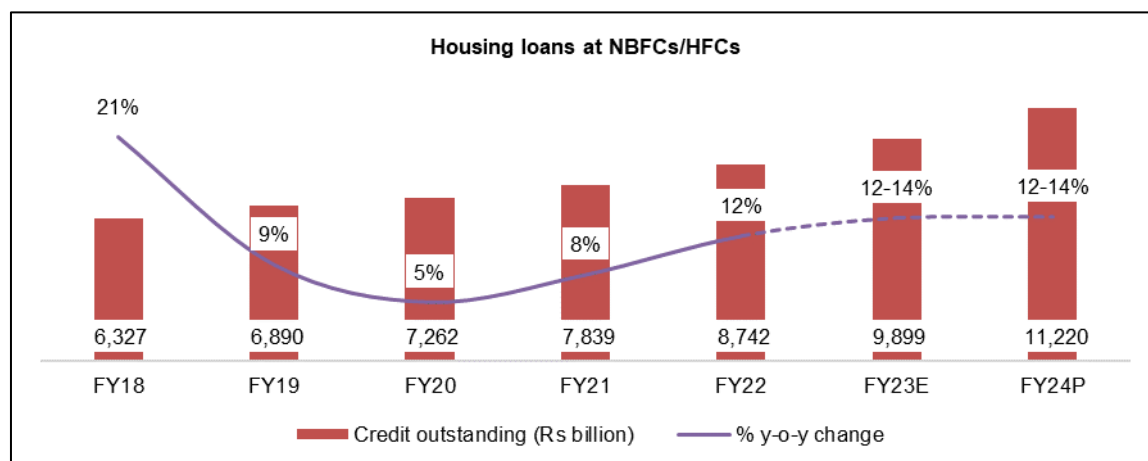
In the past, demand for home loans rose due to higher demand from Tier II and III cities, rising disposable incomes, and government steps, such as interest rate subvention schemes and fiscal incentives

Overall credit of housing loans in India is estimated to have grown at 14-16% on-year during fiscal 2023 and is expected to grow at 13-15% during fiscal 2024. Banks continue to gain market share over HFCs/NBFCs, because of their higher liquidity



compared with the latter and the ability to offer low interest rates. These advantages are expected to continue in coming fiscals, with banks growing faster than HFCs/NBFCs. However, any significant change in macroeconomic factors or flare-up of geopolitical issues is a downside risk.

### Housing credit at HFCs to continue uptrend this fiscal



Note:

1. P: Projected, E: Estimated
2. The merger of HDFC Ltd and HDFC Bank is under the approval process and was not effective as of March 2023. Hence, the impact of the merger is not considered for the analysis

Source: Company reports, RBI, CRISIL MI&A Research

Overall housing finance segment stood at an estimated Rs 26,285 billion as of March 2022, double the figure five years ago; this effectively translated into home loans outstanding logging a healthy 16% CAGR over fiscals 2015 to 2020. Growth was supported by increasing demand from Tier II and III cities, rising disposable incomes and government initiatives such as Pradhan Mantri Awas Yojana (PMAY), interest rate subvention schemes and fiscal incentives. However, in fiscal 2021, the pace slowed, led by moderation in credit growth across banks and HFCs, following the Covid-19 pandemic, impacting especially the low-income group (LIG) and middle-income group (MIG).

However, revival was faster than envisaged in the second half of fiscal 2021, with the Reserve Bank of India (RBI), the Centre and state governments providing impetus. This was additionally supported by real estate developers offering discounts and/or freebies, and a few states, such as Maharashtra and Karnataka, cutting stamp duty on properties. Home loan interest rates were also slashed to a historical low. As a result, NBFCs/HFCs clocked a decent 8% growth in fiscal 2021, despite the economic gloom at the beginning of the fiscal.

In the first quarter of fiscal 2022, the second wave of the pandemic forced various state governments to impose localised lockdowns, which impacted credit growth. However, as the RBI held policy repo rate at historical low of 4%, home loans continued to be more affordable, which boosted the credit growth in the subsequent quarters. Moreover, the third wave of infections only had a mild impact. Overall, retail housing credit grew ~12% for NBFCs/HFCs during fiscal 2022.

During fiscal 2023, the RBI started increasing the repo rate to rein in the spiralling inflation, an aftereffect of the Russia-Ukraine conflict that is choking supply chains. However, credit growth is estimated to have remained intact at 12-14% with visible recovery across segments and pent-up demand in housing as affordability, though deteriorating, continues to be favourable.

Top 10 cities of the country account for more than 35% of outstanding retail housing finance loans. CRISIL MI&A Research estimates housing asset demand from these cities to have been in the range of 12-15% in fiscal 2023 and expects it at 7-8% in fiscal 2024. In the past fiscal, the demand is estimated to have been 35-40%, which was on a low base of fiscal 2021 and degrowth in the real estate segment for the past few years. This, along with expected 4-6% growth in capital values and incremental construction under PMAY, will support the estimated NBFC/HFC housing loan growth of 12-14% for fiscal 2024.

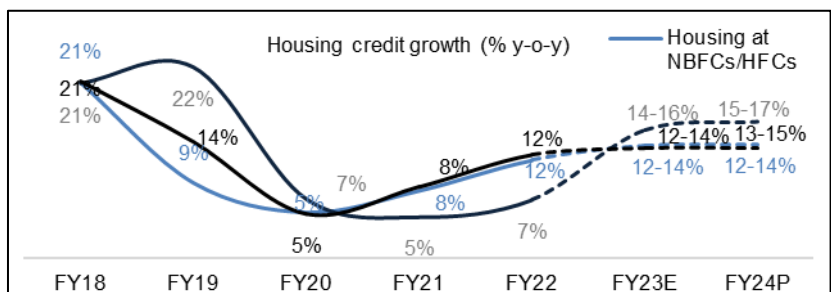
### Affordable HFCs outpace overall housing finance credit growth; trend to continue during fiscal 2024

In the past fiscals, HFC credit growth was primarily driven by major companies such as Housing Development Finance Corporation (HDFC) Ltd, LIC Housing Finance Ltd, Indiabulls Housing Finance Ltd, PNB Housing Finance Ltd, and Can Fin Homes Ltd. In fiscal 2022, these companies saw ~12% growth vis-à-vis the overall NBFC/HFC growth of 11.5%. Factors that aided their growth were strong liquidity, parental support and lower interest rates (on par with leading banks). In April and May, the NBFC/HFC segment saw slower growth on account of the second wave of Covid-19.

Until fiscal 2022, smaller HFCs focusing on the affordable housing segment (affordable HFCs) saw slower growth on account of the pandemic-induced uncertainties and deteriorating asset quality of a few players making them cautious in lending. With continued support from the government and central bank, increase in demand for housing, and deeper penetration in Tier II and III cities, affordable HFCs are back on the healthy double digit growth trend with estimated growth of 14-16% during fiscal 2023, outpacing credit growth in the retail housing segment. Going ahead, CRISIL MI&A Research expects affordable HFCs to grow at 15-17% during fiscal 2024.

Note: CRISIL MI&A Research defines affordable HFCs as those disbursing loans of less than Rs 2 million ticket size on average

### Credit growth to pick up for affordable HFCs



Note: P: Projected, E: Estimated

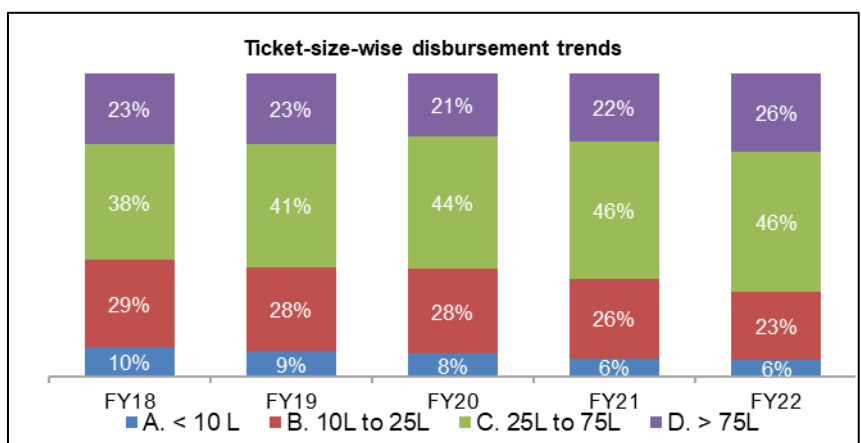
Source: Company reports, RBI, CRISIL MI&A Research

### HFCs gearing up to outpace banks in housing credit growth

Over fiscals 2015-2018, share of NBFCs in the housing loan market increased from 35% to 39%. Focus on aggressive expansion during the period led to a superior 21% CAGR for NBFCs, much higher than banks’ 16%. However, starting fiscal 2019, the trend reversed. Banks started growing faster than HFCs owing to the IL&FS crisis and liquidity concerns in the NBFC sector. As a result, share of NBFCs declined to 33% in fiscal 2022. Going ahead, CRISIL MI&A Research expects banks to grow marginally faster than NBFCs/HFCs at 13-15% and 12-14%, respectively, in fiscal 2024.

### Mid-ticket gaining share within NBFCs/HFCs

Share of the Rs 25-75 lakh segment increased from 38% in fiscal 2018 to 46% in fiscal 2022

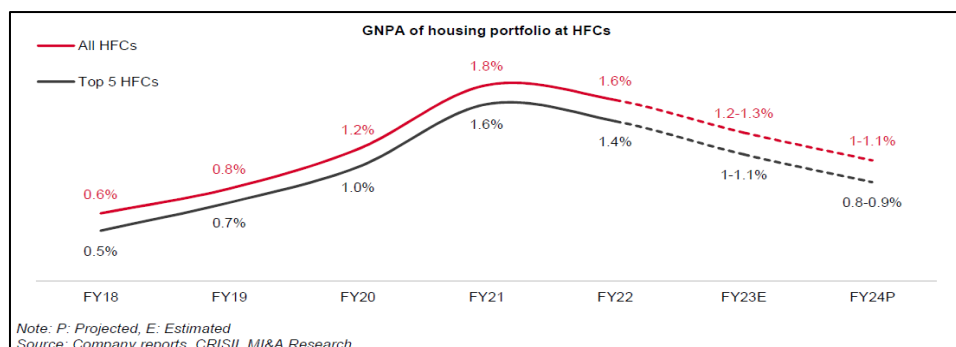


Note: The ticket-size-wise share is calculated based on the value of loans disbursed during the coverage period  
Source: Credit bureau, CRISIL MI&A Research

In the NBFC/HFC housing loan segment, share of the mid-ticket segment (in value terms), i.e., Rs 25-75 lakh, increased from 38% in fiscal 2018 to 46% in fiscal 2022 due to increased income levels of customers and better affordability. Further, the share of loans with ticket size greater than Rs 75 lakh increased 400 basis points (bps) in fiscal 2022 on account of higher demand in Tier I cities as customers hastened their decision to buy homes due to record low interest rates and better affordability. However, 65-70% of the loans were of sub-Rs 25 lakh ticket size in fiscal 2022.

## GNPAs for the housing portfolio back to pre-Covid levels

With economic revival and healthy credit growth, GNPAs to improve this fiscal

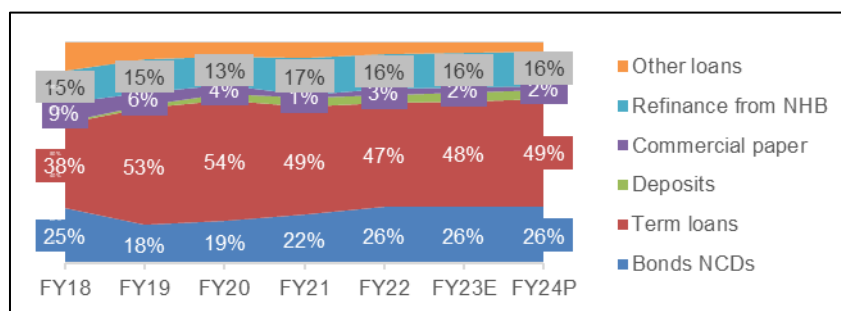


In March 2021, GNPAs in the housing loan portfolio increased a sharp 50 bps to 1.76% due to significant economic slowdown, which impacted self-employed customers and micro, small, and medium enterprises. In the first half of fiscal 2022, it is estimated to have increased on account of stress witnessed by MIG and LIG borrowers after the second wave of Covid-19. The figure improved to 1.6% as of March 2022 as collection efficiency improved and normalised in the second half. CRISIL MI&A Research expects asset quality in the retail housing loan segment to improve to 1.2-1.3% this fiscal and to 1-1.1% in fiscal 2024 supported by healthy credit growth and collections back to pre-Covid levels.

The restructured loan portfolio is expected to have reduced significantly during fiscal 2023. The restructured book for HFCs is expected to have reduced to 0.8-0.9% of loans and advances as of December 2022 from an estimated 1.6-1.7% as of March 2022. Further, total stressed assets (GNPA + restructuring book) for the individual housing loan segment are estimated at 2-2.1% as of fiscal 2023.

## Term loans to gain share in borrowing mix of HFCs/ NBFCs

Non-convertible debentures (NCDs) remain the largest source of borrowings for HFCs. However, the share reduced to 40% in fiscal 2022 from 49% in fiscal 2017. This was because, post the IL&FS crisis, stress on NBFCs increased, which restricted their access to market borrowings. In addition, with lower cost of borrowings, HFCs have been increasingly raising funds via bank term loans since fiscal 2019. Consequently, their share increased to an estimated 25% in fiscal 2022 from 20% in fiscal 2019.



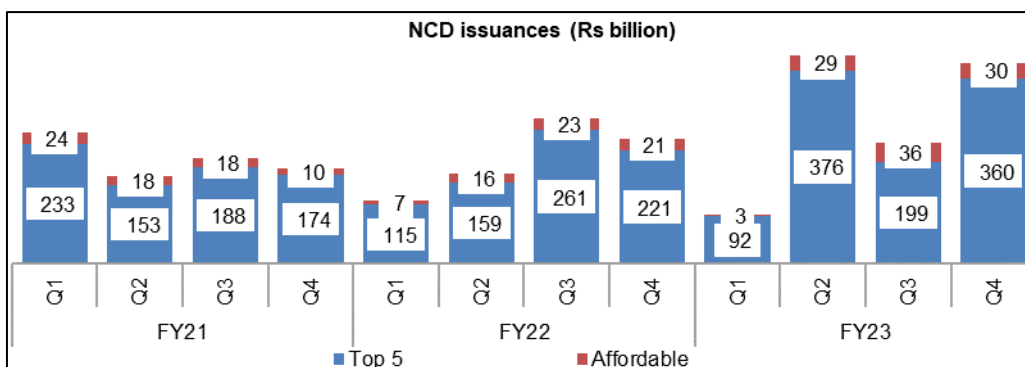
Note: P: Projected, E: Estimated

Source: Company reports, CRISIL MI&A Research

Affordable HFCs have also benefitted from the refinance facility of the National Housing Bank (NHB) amid lack of availability of credit from banks; share of NHB refinance in the borrowing mix increased to 16% as of fiscal 2022 from 13% in fiscal 2020. CRISIL MI&A Research expects the share of NHB in overall borrowing to remain stable in the short term.

### NCD issuances increased sharply since second quarter of fiscal 2023

#### NCD issuances pick-up during fiscal 2023



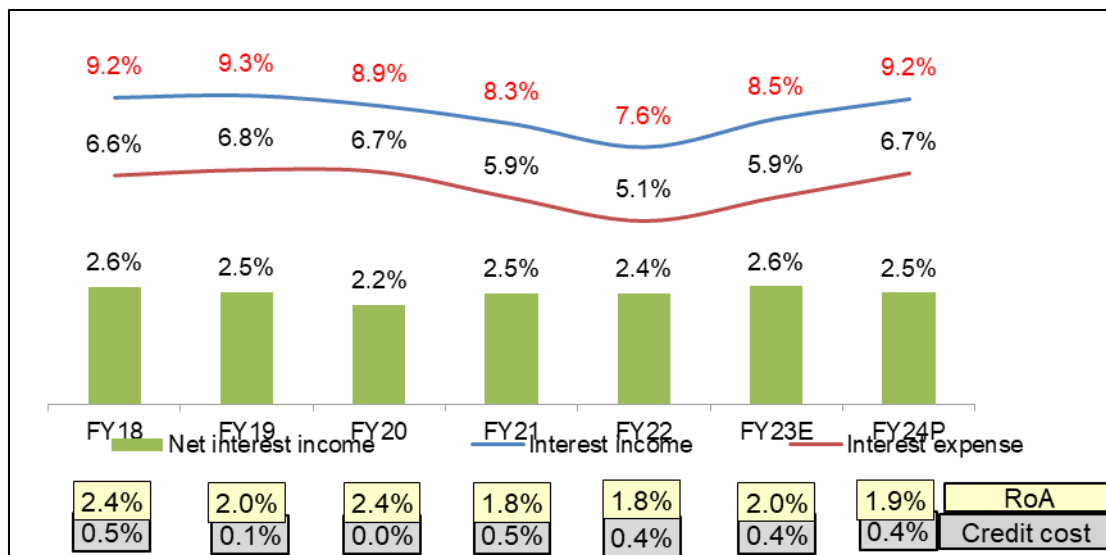
Top HFCs – HDFC Ltd, LIC Housing Finance Ltd, Indiabulls Housing Finance Ltd, PNB Housing Finance Ltd, Can Fin Homes; Affordable HFCs – Tata Capital Housing Finance, ICICI Home Finance, GIC Housing, Aadhar Housing, Aavas Financiers, Edelweiss Housing, Motilal Oswal Home Finance, Shriram Housing

Source: NSE, Prime Database, CRISIL MI&A Research

#### Profitability: Spreads improved marginally during fiscal 2023

The housing space saw signs of recovery during the second half of fiscal 2021, supported by initiatives of the Centre and state governments to revive economic activity. In fiscal 2022 as well, with home loan rates at a historical low, yield on advances reduced 80-90 bps. The RBI, having maintained an accommodative stance as well, and not increasing the repo rate in fiscal 2022, supported the reduction in cost of borrowing by 40-50 bps. This narrowed the spreads and lowered return on assets to 1.8% in fiscal 2022.

#### Net interest margin improving with increase in yields and marginal rise in cost of funds

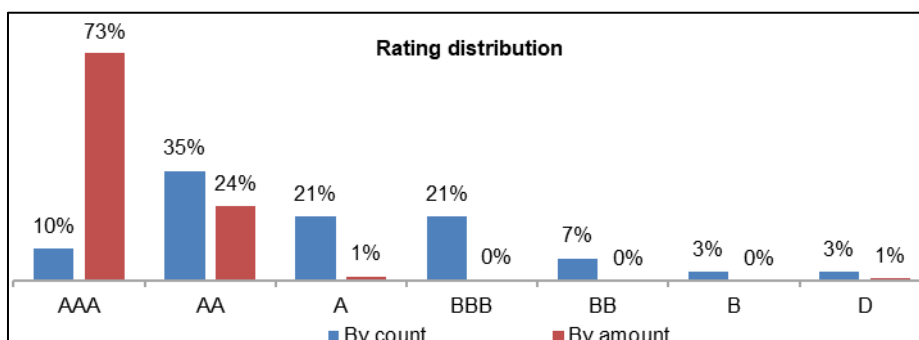


Note: P: Projected; Ratios on total assets

Source: Company reports, CRISIL MI&A Research

But with the central bank hiking the repo rate by 250 bps during fiscal 2023, CRISIL MI&A Research estimates the yield on assets to have increased by 100-110 bps vis-à-vis the increase in weighted average cost of funds by 80-90 bps, translating into improvement in margins and return on assets to 2.6% and 2%, respectively, in fiscal 2023.

## Ratings analysis of HFCs



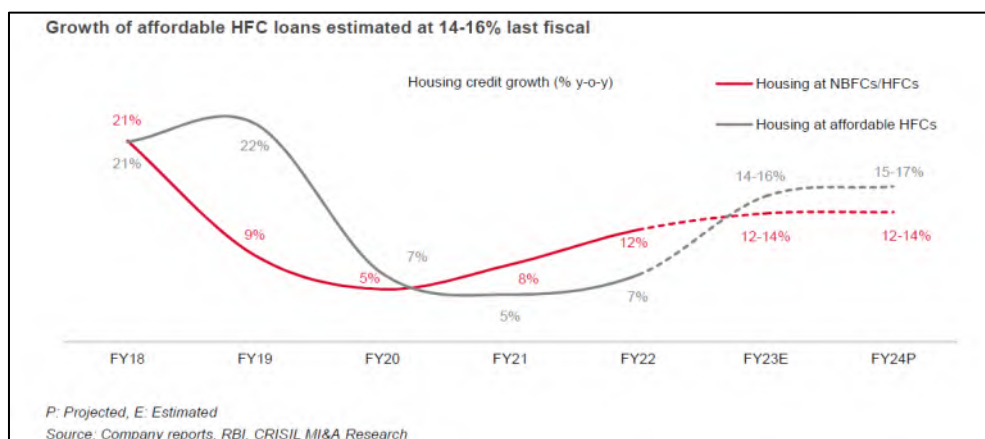
Note: Ratings by all rating agencies. Total rated entities: 68, Total rated long-term debt: Rs 13,673 billion; as of March 2023  
Source: Ratings agencies, CRISIL MI&A Research

## Affordable Housing Finance – Review and outlook

### Affordable HFC loans back to double-digit growth

Note: CRISIL MI&A Research defines affordable housing finance companies (HFCs) as those disbursing loans with an average ticket size of less than Rs 2 million.

Credit at affordable HFCs clocked a healthy compound annual growth rate (CAGR) of 21% between fiscals 2016 and 2020, compared with a CAGR of 13% overall for HFCs/ non-banking financial companies (NBFCs). This was driven by increasing demand for housing and deepening penetration of affordable HFCs in Tier II and III cities, rising disposable incomes, and government initiatives such as interest rate subvention schemes and fiscal incentives. The economic slowdown in fiscal 2020, followed by the Covid-19 pandemic in fiscals 2021 and 2022, which hurt economic activities and reduced income levels of the economically weaker section (EWS) and low-income group (LIG), led to a slower credit CAGR of 6% between fiscals 2020 and 2022.

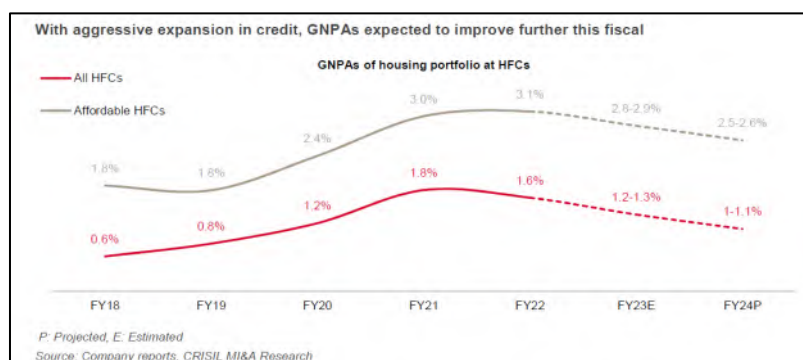


The onset of the pandemic in the first half of fiscal 2021 had a disproportionate impact on the segment's customers — EWS and LIG — vis-à-vis the overall segment that caters to salaried individuals, whose incomes have been relatively stable. Faster-than-expected recovery in the second half because of central and state government measures, coupled with low interest rates, led to HFCs/ NBFCs posting credit growth of ~8% overall in the fiscal. Meanwhile, affordable HFCs recorded growth of 5%.

Last fiscal, normalisation of economic activities for the EWS and LIG segments, waning of pandemic fears, and higher demand for housing and deeper penetration in Tier II and III cities put affordable HFCs back on the healthy double-digit growth trajectory. Their credit growth was estimated at 14-16%, outpacing that of the retail housing segment. CRISIL MI&A Research expects affordable HFC loans to grow 15-17% during this fiscal.

### Improvement in GNPA's to provide credit growth impetus

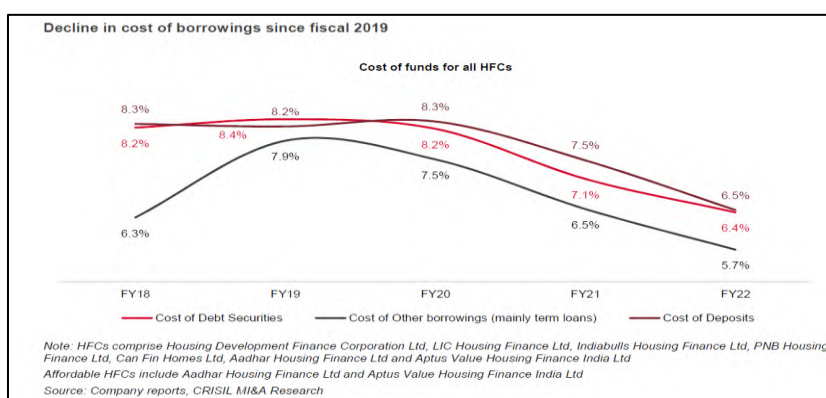
Collections were significantly impacted in the first quarter of fiscal 2022 because of the pandemic's second wave, which led to localised lockdowns, impacting the income-generating capability of borrowers. This, in turn, resulted in a steep rise in GNPA's at the end of the first quarter of fiscal 2022. Collections and asset quality improved during the second quarter of fiscal 2022 and remained higher than in fiscal 2021.



On account of the surge in credit growth in the second half of fiscal 2022, and support from the government in the form of OTR 2.0, the asset quality of affordable HFCs was stable at 3.1% in fiscal 2022. CRISIL MI&A Research expects credit growth to continue. Owing to improving economic conditions, GNPA's are estimated to have improved marginally to 3-3.1% last fiscal and are projected to improve further to 2.9-3% in fiscal 2024. CRISIL MI&A Research estimates the stress on account of restructured loans under OTR 1.0 and OTR 2.0 for the home loan portfolio at 0.8-0.9% as of March 2023.

### Term loans and refinance from National Housing Bank (NHB) dominate borrowing mix

The share of term loans in the borrowing mix decreased post fiscal 2020 as banks were cautious about lending to affordable HFCs because of higher asset-quality stress in the segment. The share of NHB borrowings was at a healthy 16% as of fiscal 2022. This enables affordable HFCs to avail of the benefit of lower cost of funds (based on HFCs' credit ratings) from the NHB. CRISIL MI&A Research expects support from the NHB to continue in this fiscal.



### NCD issuance by affordable HFCs picks up from second quarter last fiscal

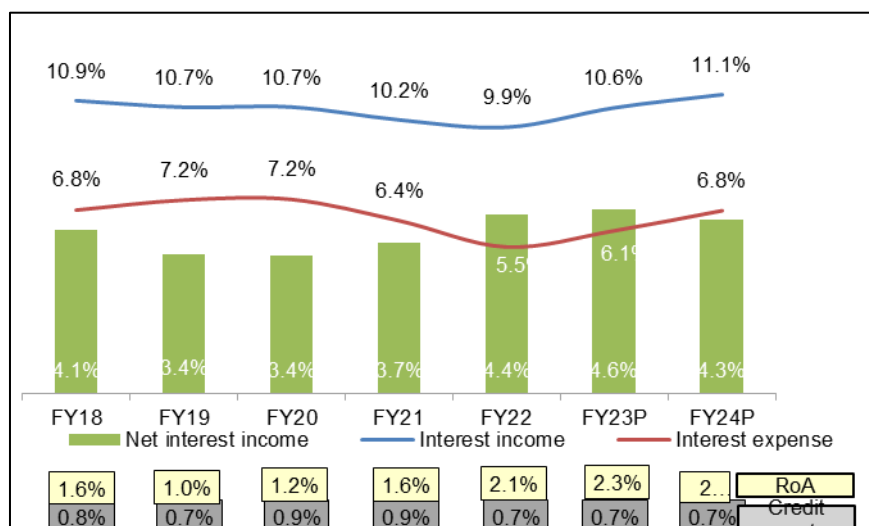
NCD issuance by affordable HFCs increased 33% on-year in fiscal 2021 (from Rs 53 billion in fiscal 2020 to Rs 70 billion in fiscal 2021), driven by low market rates and government support in the form of the targeted long-term repo operations (TLRO) facility. The second pandemic wave impacted issuance in the first quarter of fiscal 2022, despite low interest rates. However, issuance grew second quarter onwards due to a pick-up in demand in the housing market, which, in turn, increased lending opportunities. Issuance picked up in the second half last fiscal, with a peak of Rs 36 billion during the third quarter of the fiscal. Issuance increased ~46% to Rs 97 billion last fiscal from Rs 67 billion in fiscal 2022.

### RoA estimated to have improved further last fiscal

The housing segment showed signs of recovery in the second half of fiscal 2021, supported by various initiatives by the central and state governments to revive economic activities. Home loan rates remained at a historical low, starting from 6.5% in fiscal 2022, which led to a decline of 30 bps in interest income by average total assets for fiscal 2022. Meanwhile, the RBI's accommodative stance and steady repo rate in fiscal 2022 aided in reducing interest expense by average total assets by a significant ~90 bps. With improved net interest margin and lower credit cost, return on assets (RoA) improved to 2.1% during fiscal 2022.



## Increase in interest margin to aid further improvement in RoA in fiscal 2023



P: Projected

Note: All ratios are based on total assets

Source: Company reports, CRISIL MI&A Research

Affordable HFCs are able to garner share owing to:

- Strong origination skills and focused approach
- Creation of niches in catering to particular categories of customers
- Relatively superior customer service and diverse channels of business sourcing
- Non-salaried customer profile – ~80% of customers
- Higher presence in smaller cities

These factors have helped them capture market share as banks have become risk averse and are focused on high ticket customers with good credit profiles.

By virtue of being largely present in metros and urban areas, ticket sizes of banks and large HFCs have followed rising property prices. Focus on the urban salaried segment by banks and large HFCs has left non-salaried as well as Tier III and rural markets open to those with the capability to operate in the segment.

### Key government schemes for the housing sector

The Housing for All by 2022 scheme, launched in June 2015, aimed to construct over 20 million houses across India by 2022 for the poor, economically weaker sections (EWS), and LIG in urban areas.

### PMAY

PMAY – Urban (PMAY-U) was launched by the Ministry of Housing and Urban Affairs on June 25, 2015, to address urban housing shortage among the EWS/LIG and MIG categories, including slum dwellers, by ensuring a pucca house to all eligible urban households by 2022.

Also, to address gaps in the rural housing programme and the government's commitment of providing housing for all by 2022, the erstwhile Indra Gandhi Awas Yojana was re-structured into the PMAY – Gramin (PMAY-G) from April 1, 2016. PMAY-G was aimed at providing a pucca house with basic amenities to all houseless individuals and those households living in kutcha and dilapidated dwellings by 2022.

### Credit Linked Subsidy Scheme

- Under Housing for All, the central government implemented the Credit Linked Subsidy Scheme (CLSS) as a demand-side intervention to expand institutional credit flow for housing needs of those residing in urban regions
- Affordable housing through CLSS will be implemented via banks/FIs

- Credit-linked subsidy is provided on home loans taken by the eligible urban population for purchase and construction of houses
- Housing and Urban Development Corporation and NHB are the central nodal agencies to channelise this subsidy to lending institutions and monitor its progress
- For all income slabs, any additional loan taken by a beneficiary up to a maximum tenure of 20 years will be at non-subsidised rates
- The interest subsidy amount will not be the differential of interest amount (of actual and subsidised rate), but will be the net present value of the interest subsidy amount

### **Atal Mission for Rejuvenation and Urban Transformation**

The purpose of Atal Mission for Rejuvenation and Urban Transformation (AMRUT) is to provide basic services (e.g., water supply, sewerage, urban transport) to households, build amenities in cities, and improve the quality of life for all, especially the poor and the disadvantaged.

Key components of the mission

- Access to a tap with assured water supply for every household
- Assured sewerage connection per household
- Better amenities in cities by developing greenery and well-maintained open spaces (e.g., parks)
- Lower pollution by switching to public transport or constructing facilities for non-motorised transport (e.g., walking and cycling)

### **Microfinance – Review and outlook**

#### **Loan book growth likely spurred and bad loans reduced**

The outstanding loan book of non-banking financial company-microfinance institutions (NBFC-MFIs) is estimated to have grown 30-35% in fiscal 2023, compared with 19% the previous fiscal, riding on economic revival as the pandemic impact eased, and unmet demand in rural regions.

Growth has picked up since the second quarter of last fiscal and monthly collections have almost normalised after the Reserve Bank of India (RBI) raised the household income threshold for collateral-free loans to fuel growth.

Gross non-performing assets (GNPA) had risen to 5.9% in fiscal 2022 from 5.5% in fiscal 2021. However, the first quarter of fiscal 2023 saw GNPA decline to 5.4% and it had reduced further to 4.4% by the third quarter. Hence, we expect asset quality to have further improve for the full fiscal.

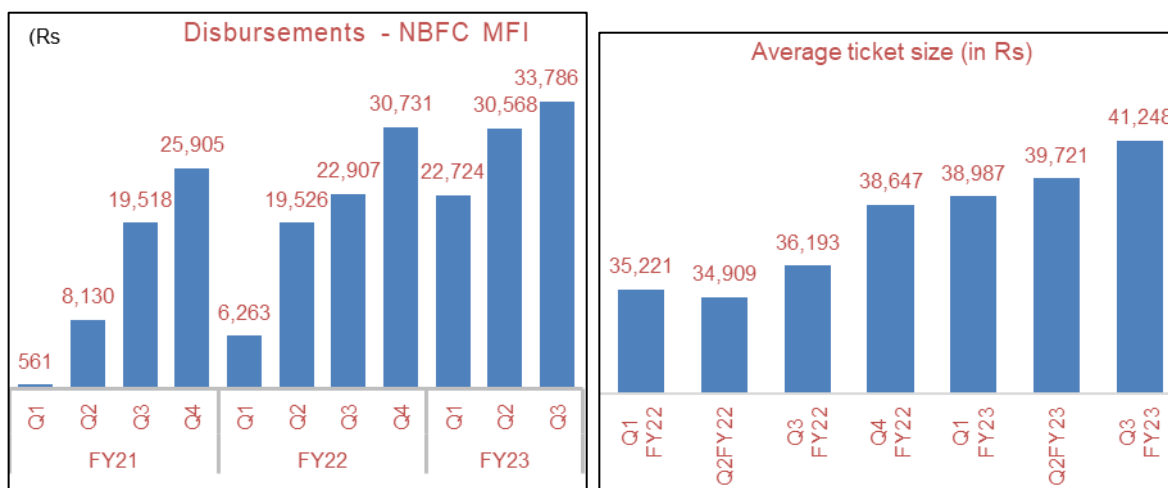
#### **Disbursements pick up as collection efficiency attains normalcy**

In fiscal 2022, disbursements increased 47% primarily due to a rebound in the second half. In fiscal 2023, however, disbursements grew 79% in the third quarter. Although the players were bogged down by the new RBI regulations in the first quarter, they clocked healthy growth in the second and third quarters. Disbursements are expected to have risen 50–60% on-year in fiscal 2023.

Additionally, the increasing average ticket size will support disbursements.



## Increasing average ticket size supports disbursements



Source: CRISIL MI&A Research, MFIN

With improved collection efficiency, increasing ticket size, and implementation of RBI's new regulatory framework, disbursements are expected to have gained momentum, leading to 30-35% growth in the outstanding loan book in fiscal 2023.

Banks have the largest share in the MFI industry as they lend under priority sector lending (PSL) norms. However, NBFC-MFIs have been aggressive over the past 2-3 years, with their loan book growing at a CAGR of 37% between 2017 and 2021 compared with ~29% for banks. Banks have reported higher par 90 levels at 18.9% as of December 2022 compared with that of 4.4% for NBFC-MFIs, indicating slower growth in bank lending.

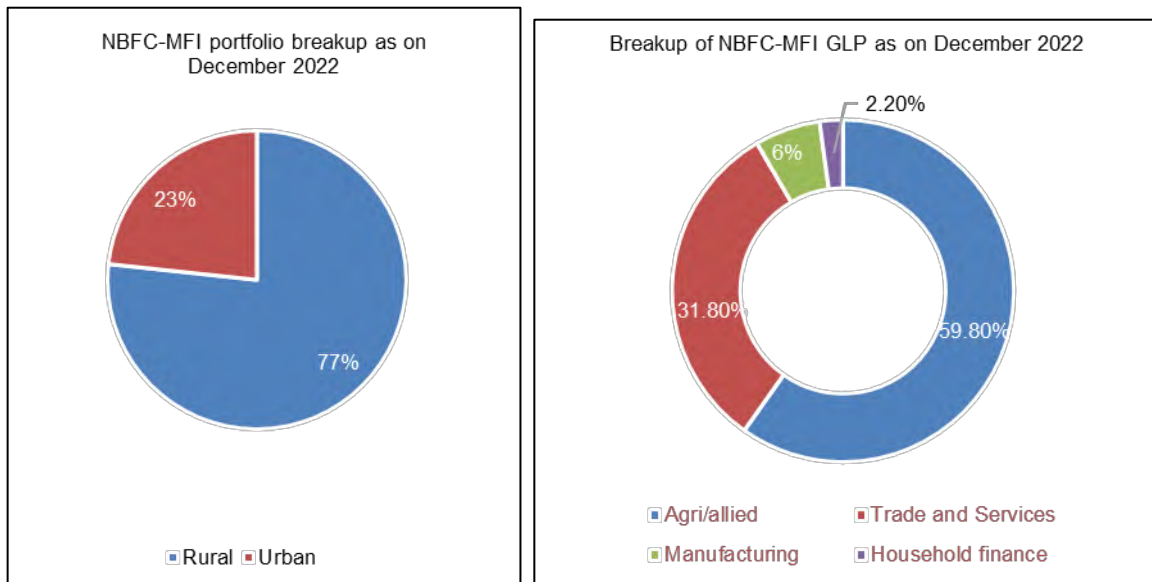
Moreover, the average ticket size of banks and NBFCs has been changing over the past few years. The average ticket size of NBFCs has been increasing, while that of banks has been declining. This trend has led to a shift in market share from banks to NBFCs.

Average ticket size	Q4FY20 (in ₹)	Q4FY21 (in ₹)	Q4FY22 (in ₹)	Q1FY23 (in ₹)	Q2FY23 (in ₹)	Q3FY23 (in ₹)
NBFC-MFI	30,021	35,486	38,647	38,987	39,721	41,248
NBFCs	38,192	41,306	42,882	44,204	43,438	44,485
Banks (JLG)	41,426	43,699	39,514	37,342	37,231	38,458
SFBs	34,647	37,037	45,238	45,281	44,631	47,162

In India, microfinance plays an important role in delivering credit to people at the bottom of the economic pyramid. Owing to its grass root-level connect, it can support income-generating activities and livelihoods in both rural and urban geographies. Further, microfinance acts as a potent tool for empowering women who constitute the largest part of its borrower base. The essential features of microfinance loans are that they are small amounts, have short tenures, are extended without collaterals and the frequency of loan repayments is greater than that of traditional commercial loans. These loans are generally granted for income-generating activities, but also provided for consumption, housing and other purposes. Thus, MFI operations have traditionally been cash-intensive and have become very aggressive in rural areas, especially after demonetisation. Consequently, the share of NBFC-MFIs in the overall MFI book increased from 30% in fiscal 2019 to 34% in fiscal 2022.

Banks lost market share even before the Reserve Bank of India (RBI) lifted the cap on lending for this sector. The new rules have led to NBFCs further gaining market share.

### Rural segment dominates in NBFC-MFI book

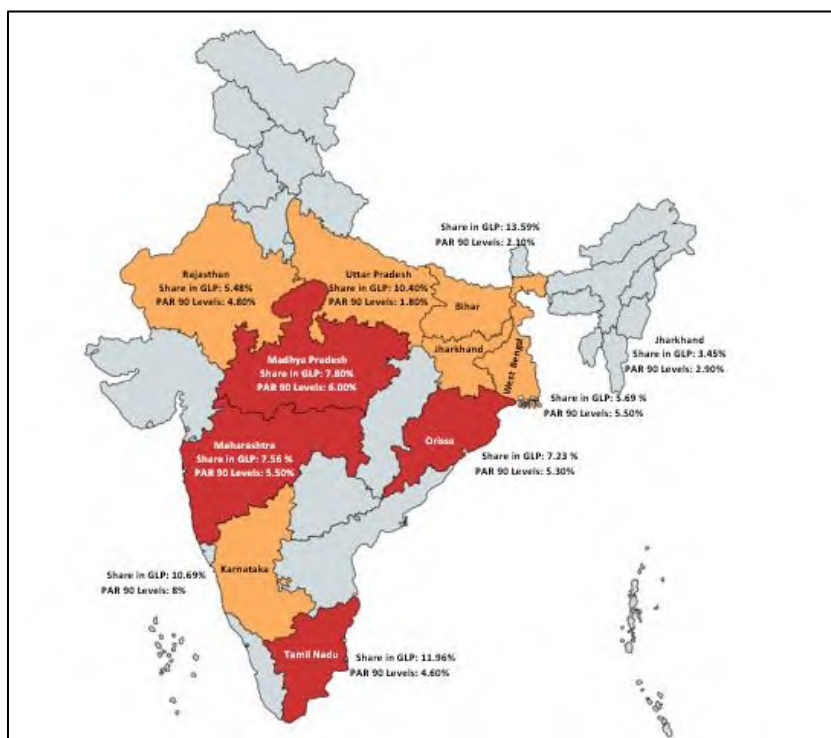


Source: CRISIL MI&A Research, MFIN, company reports

The main objective of microfinance lending is to support capital formation in agriculture and allied sectors. With disbursements being more focused on the rural parts of the country, NBFC-MFIs promote alternative employment opportunities by supporting farm and manufacturing sectors.

A state-wise split as of the third quarter of fiscal 2023 indicated the top 10 states accounted for ~83.6% of the NBFC-MFI book and the top five states including Bihar, Tamil Nadu, Karnataka, Uttar Pradesh and Madhya Pradesh accounted for 54.5%. Bihar and Uttar Pradesh registered 56% and 65% on-year growth, respectively, as of December 2022 with a majority of their revenue coming from rural areas.

### State-wise share of gross loan portfolio (GLP) and PAR 90 as of December 2022



- High share, moderate GNPA
- High share, high GNPA

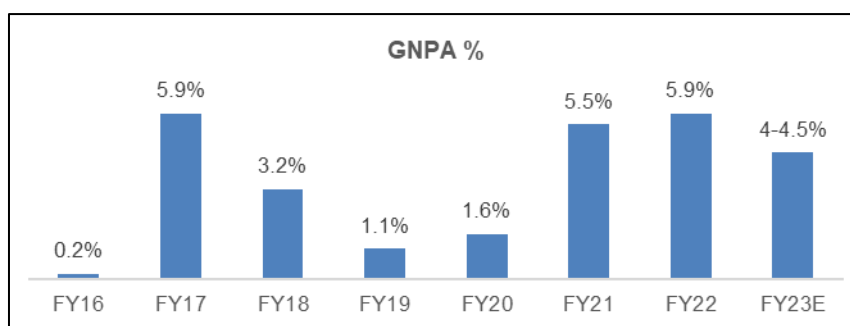
Note: PAR 90 - loan portfolio at risk with 90 days overdue or more

Source: CRISIL MI&A Research, MFIN

### GNPA estimated to have moderated in fiscal 2023, slippages from restructured portfolio to remain monitorable

Typically, in times of stress, GNPA tends to remain high for a couple of years, as players try to spread the credit cost. Though the asset quality is expected to moderate going forward, slippages from the restructured portfolio remains a monitorable. GNPA of the NBFC-MFI book had risen to 5.9% in fiscal 2022 from 5.5% in fiscal 2021. However, it continued to fall in the first three quarters of fiscal 2023, declining to 5.4% in the first quarter, 4.9% in the second quarter and 4.4% in the third quarter. GNPA is expected to have moderated further to 4-4.5% for the full fiscal, as collections and disbursements have almost normalised.

### GNPA expected to have moderated in fiscal 2023



Source: CRISIL MI&A Research

Banks have traditionally been the key lenders to NBFC-MFIs. Smaller players would resort to portfolio sell-outs to channel growth.

However, in fiscal 2021, funds raised by NBFC-MFIs through non-convertible debenture (NCD) issuances increased substantially, mainly due to the targeted long-term repo operations (TLTRO) announced by the RBI. TLTRO enables lower-rated entities to issue bonds at a low interest rate. It also enables banks to invest in specific sectors through debt instruments to boost credit flow in the economy. The scheme aims at providing adequate system-level liquidity and targeted liquidity to sectors and entities facing difficulties in raising funds from the markets. Under the RBI's on-tap TLTRO scheme, liquidity availed by banks had to be deployed in corporate bonds, commercial papers and NCDs issued by entities in sectors such as MFIs and construction.

NBFC-MFIs also raised funds through the partial credit guarantee scheme under which the RBI extended a special liquidity facility to NABARD, SIDBI and National Housing Bank to the tune of Rs 25,000 crore, Rs 15,000 crore and Rs 10,000 crore, respectively, to be further lent to sectors such as construction and small and medium NBFC-MFIs.

After increasing in fiscal 2022, bank funding is expected to have moderated in fiscal 2023. In addition, MFIs have been regularly raising equity over the years, indicating stable investor confidence, despite the pandemic overhang.

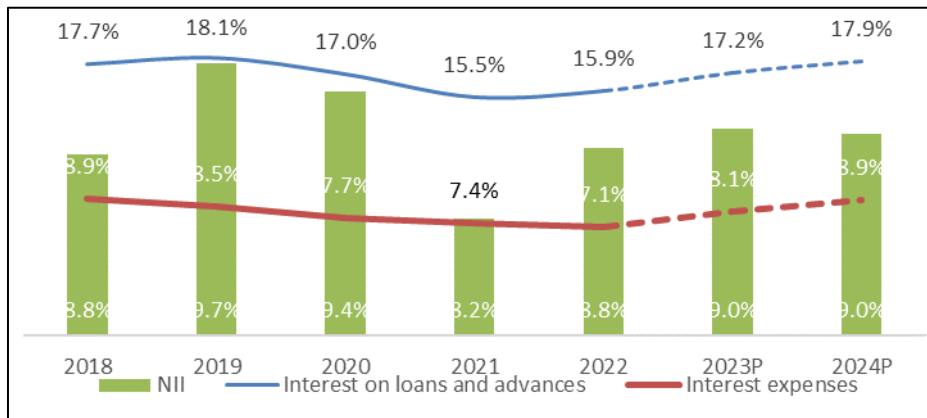
### Yields and borrowing costs likely to have increased in fiscal 2023

Over fiscals 2021 to 2022, the cost of borrowing for major NBFC-MFI players remained stable despite pandemic-related stress.

A major proportion of borrowings by NBFC-MFIs was at floating interest rates. With an increase in the repo rate by 250 bps till date, we expect borrowing costs to have increased 110-120 bps in fiscal 2023.

Credit costs for the industry had fallen ~100 bps in fiscal 2022 over fiscal 2021, owing to an improvement in repayment levels of borrowers. In fiscal 2023, players have reduced their credit costs by a lower rate compared with the previous fiscal. Accordingly, overall return on assets of players is expected to have improved 30-50 bps in fiscal 2023 and likely to improve further in fiscal 2024.

### Increase in yields and reduction in credit costs estimated to have improved profitability



Source: CRISIL MI&A Research

### Real Estate – Review and outlook

#### Real estate lending forms a major portion of NBFC lending to the wholesale segment

Over the past few fiscals, NBFC funding towards the real estate sector has undergone considerable evolution in terms of size, complexity, and interconnectedness with the financial sector. Wholesale finance of real estate represents lending services to medium-sized and large corporate firms, institutional customers and real estate developers by banks and other financial institutions. It encompasses long-and short-term funding. CRISIL MI&A Research excludes lease-rental discounting (LRD) from the wholesale book and lending to the infrastructure sector and covers only loans offered to large and mid-sized corporates in non-infrastructure segments.

#### Real estate segment comprises ~58% of the overall NBFC wholesale lending, as of fiscal 2022

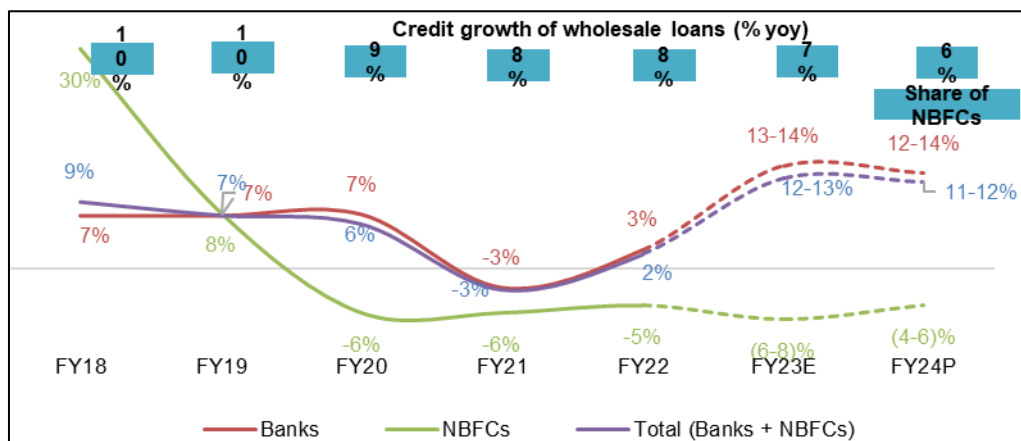
Type	Share in book FY22	Outstanding book (Rs billion) FY22	CAGR (FY18-22)	FY22	Growth outlook for FY23E	Growth outlook for FY24P
NBFCs	8%	2,775	-2%	-5%	(6-8) %	(4-6) %
Banks	92%	32,491	4%	3%	13-14%	12-14%
Overall	100%	35,267	3%	2%	12-13%	11-12%

Note:

1. P – Projected, E- Estimated
2. Credit deployment data published by the RBI has undergone revision. Hence, comparable numbers for the previous fiscal are revised accordingly.

#### NBFCs to witness a sharp decline in the wholesale book, while banks grow at healthy double digits

#### Banks continue to outpace NBFCs with overall wholesale credit estimated to grow at 13-14% in fiscal 2023



Note: Credit deployment data published by RBI has undergone revision. Hence, comparable banking numbers for the previous fiscal are revised accordingly.

Source: Company reports, CRISIL MI&A Research

The wholesale segment has degrown, as NBFCs have been more involved in curating their retail credit over wholesale credit. Their construction finance segment has been brought down due to market conditions from 2017, such as GST on under-construction properties, labour shortage during the pandemic-driven lockdown, and the rising cost of raw material. As the real estate industry now stands on a more solid ground, we can see some unlock in funding by the NBFCs after fiscal 2023.

Lending to NBFCs increased significantly at an estimated 25-26% alongside trade credit growth in range of 13-15% and commercial real estate growth at 9-11% during fiscal 2023.

NBFCs' real estate lending declined from Rs 1.9 trillion in fiscal 2019 to a projected Rs.1.5 trillion in fiscal 2023, majorly due to asset-quality stress levied by the impact of pandemic-driven lockdowns. This created periods of non-activity and labour shortage, leading to increased timelines of construction and financing. However, the government's intervention towards RERA extensions, low repo rates and lower stamp duties aided developers, providing the much-needed boost to keep construction afloat. The effect of these concessions led to an improvement in sales, benefiting the ecosystem.

Over the past five fiscals, the government's push for affordable housing segment and the pandemic-induced increase of growth in real estate demand in tier I, tier II and tier III cities increased. With young population demographics, the major cities have been burdened to fill the demand-supply gap of housing and commercial real estate. As more and more working professionals are migrating to the cities and are in the right age to purchase housing, this led the developers take a different approach and propel towards the affordable-housing segment over luxury housing segment.

The real estate book of NBFCs declined 8% in fiscal 2022, led by muted fresh disbursements and players' lower exposure to real estate portfolios. With further downsizing of the wholesale and real estate lending books by most NBFC players, real estate credit is likely to degrow 6-8% in fiscal 2023. However, funding from NBFCs might stabilise in fiscal 2024 and move towards muted growth of 0-1%, as many construction finance projects are in the pipeline, ready to disburse in lines with its construction activity.

Government support in the form of restructuring and moratoria will be beneficial to wholesale lenders over the short term, due to significant stress in the segment, worsened by the Covid-19 crisis. Over the long term, the wholesale finance segment is expected to undergo major structural shifts.

#### **Moratorium and restructuring:**

The Reserve Bank of India's (RBI) move on one-time loan restructuring helped soften the pandemic's impact on the asset quality of NBFCs. Stressed real estate developers have been offered multiple resolution strategies

1. Even prior to Covid-19, 10-15% of real estate loans were under moratorium. This is called contractual moratorium, which comes under business-as-usual restructuring.
2. In February 2020, the RBI allowed NBFCs to extend the Date of Commencement of Commercial Operations (DCCO) by one year. Under this, developers who are unable to start commercial operations due to external factors that are outside the control of promoters, can extend the repayment of loans by one year.
3. In May 2020, the RBI announced a resolution framework for Covid-19-related stress (commonly known as One-Time Restructuring - OTR). While DCCO provides only extension of repayment by one year, OTR includes other options for developers, such as extension of tenure, recalibration of interest rates, and offering further moratorium. This framework was reintroduced in May 2021, due to the second wave of Covid-19.

#### **SWAMIH Fund:**

The Ministry of Finance on September 14, 2019, announced a number of steps to revive the real estate sector and boost economic growth. Among those is SWAMIH Fund (Special Window for Completion of Construction of Affordable and Mid-Income Housing Projects Fund). Accordingly, an alternative investment fund (AIF) of Rs 25,000 crore – to provide last-mile funding for stalled affordable-housing and mid-level projects - was created for investments, primarily in the form of non-convertible debentures. The objective of the scheme is to trigger last-mile construction of stalled units and ensure delivery to the home buyers.

#### **Status of SWAMIH Fund (as of March 2022)**

Parameters	No of projects	No of Dwelling Units	Funding Sanctioned/ Funded Rs Bn
Granted Final Approval	111	63,716	110
Granted Preliminary Approval	142	83,662	132
Progress as of March 2022	253	147,378	242

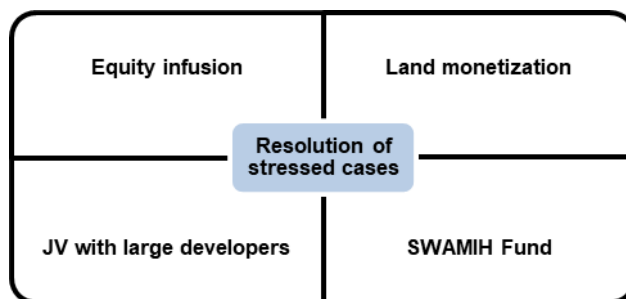
Source: Ministry of Finance, CRISIL MI&A Research

### PM Gati Shakti:

PM Gati Shakti is the result of Prime Minister’s constant endeavour to build Next Generation Infrastructure, which improves Ease of Living as well as Ease of Doing Business. The multi-modal connectivity will provide integrated and seamless connectivity for movement of people, goods, and services from one mode of transport to another. It will facilitate last-mile connectivity of infrastructure and reduce travel time for people. The development in infrastructure and connectivity is expected to support developments in the real estate segment in medium term

### Structural shifts

The stress in the wholesale segment is clearly visible in the higher NPA and moratorium levels. Over years, most HFCs and NBFCs have announced their strategy/focus to reduce their wholesale exposure. This will open opportunistic investments for private equity funds.



Source: CRISIL MI&A Research

### Auto finance – Review and outlook


Vehicle financing constitutes a large portion of NBFCs’ and banks’ lending profiles. NBFCs face fierce competition from banks, particularly in the new car loans category of utility vehicles (UVs) as lending rates offered are lower than those offered to NBFCs. However, NBFCs have established a distinct position in the commercial vehicles (CVs) market over time, which should benefit them.

Growth in the auto finance sector will slow down in fiscal 2024 with NBFCs growing at 12-14% and banks at 13-15%. Pent-up demand and new launches will drive sales of cars and UVs, while the infrastructure sector will have a significant impact on the demand for CVs, fleet replacement, and last-mile connectivity. However, banks will gain market share over NBFCs in this industry.

At an overall level, the auto finance book is estimated to have grown 17-19% on-year in fiscal 2023. The auto finance book of NBFCs is expected to have grown 15–17% on-year, up from a meagre 4.6% on-year increase in the previous two years. Bank credit is expected to have grown 20-22% during the fiscal.

### Pent-up demand led to stronger sales in fiscal 2023

The passenger vehicles (PVs) industry grew 27% on-year in fiscal 2023 (more than double the 13% growth seen in the previous fiscal) owing to a huge pent-up demand created by two years of slump in sales volumes owing to the pandemic-induced disruption in supply chain. The orderbooks of auto OEMs were further supported by a plethora of launches in the growing UV category, which witnessed high traction, along with multiple facelifts of existing models leading to record-breaking sales in each quarter of the fiscal. However, the PV industry will grow at 6-8% in fiscal 2024 over the all-time high base of fiscal 2023.

PVs: Easing semiconductor shortage supported volume offtake in fiscal 2023	
<ul style="list-style-type: none"> <li><b>Asset trend:</b> Growth in the PV industry more than doubled on-year to 27% in fiscal 2023, owing to healthy pent-up demand created by two years of slump in sales volumes on account of pandemic-induced disruptions in the supply chain. Amidst several headwinds such as the global slowdown, rising interest rates and prolonged geopolitical conflict, the PV industry will grow at 6-8% this fiscal 2024 over the all-time high base of fiscal 2023</li> <li><b>LTV</b> is expected to have increased a marginal 50 bps for the overall PV segment in fiscal 2023. Players have started to offer higher LTVs to attract lost customers and this is expected surpass the pre-Covid-19 levels</li> <li><b>Finance penetration</b> to improve</li> </ul>	Loan book growth for fiscal 2023 14-16%
	

Source: CRISIL MI&A Research

**Vehicle sales and higher ltv drove revival of disbursements in the past fiscal**

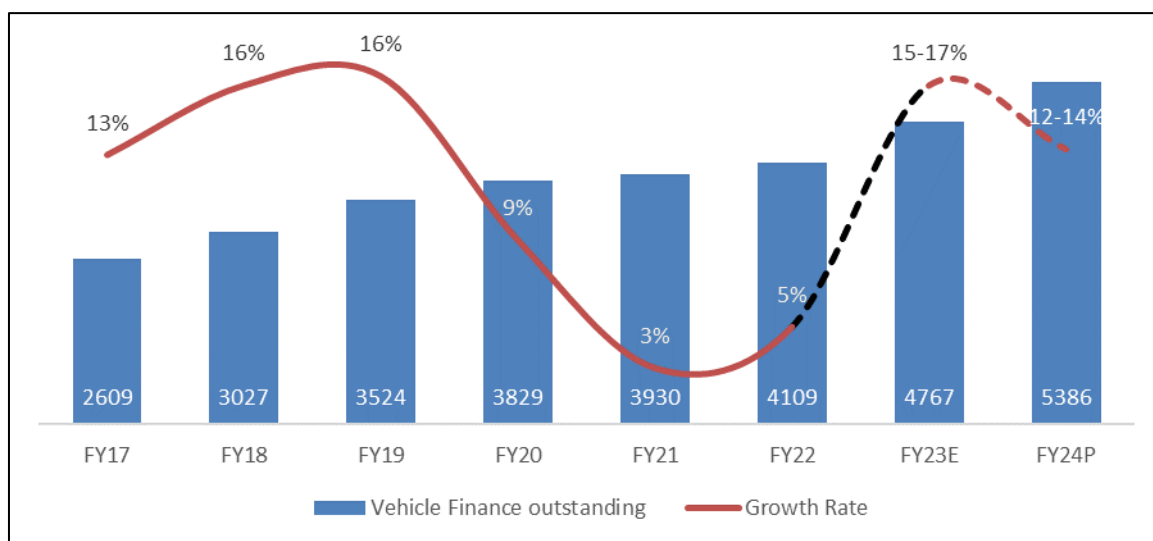
CRISIL MI&A Research expects overall vehicle sales to have picked up in fiscal 2023 and LTV to have improved across segments, resulting in overall disbursement growing 25-28% on-year.

However, the NBFC book is estimated to have grown 15-17% in fiscal 2023 and projected to grow 12-14% in fiscal 2024. With sales growth in the PV and CV segments almost at pre-Covid levels, demand is also almost met with the production being streamlined and at par because of the revival of chip shortage issue and supply chain constraints of OEMs. LTVs across segments will improve as players will revert to pre-pandemic levels.

Sales volumes of all auto finance segments have almost recovered from the fourth quarter of fiscal 2022. Pent-up demand hit a high in fiscal 2023 and will continue to spill over into this fiscal.

Growth in NBFCs’ loan book is expected to have reached 12-14% on-year in fiscal 2023 and is projected to reach 11-13% in fiscal 2024, supported by strong sales in the CV, PV and two-wheelers segments. Banks are expected to have seen their loan books grow aggressively at 20-22% in fiscal 2023 and are projected to log a growth of 13-15% this fiscal.

**Vehicle finance outstanding book of NBFCs stood at 15-17% in FY23**



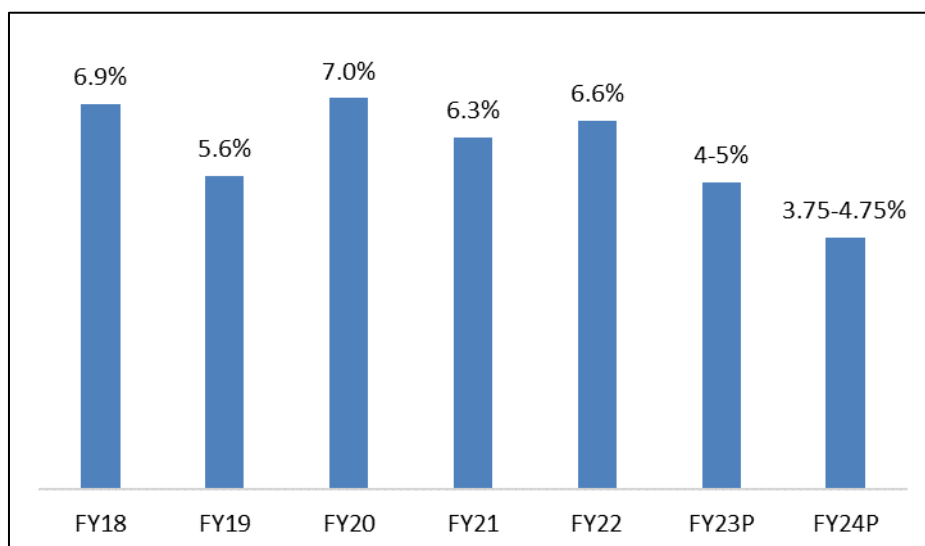
Source: CRISIL MI&A Research

**Asset quality improves from the estimated levels in fiscal 2023**

The industry's stress levels, which peaked during the epidemic in fiscal 2021, have now returned to their pre-pandemic levels. In the first half of fiscal 2023, there was evidence of some improvement in the asset quality of each sub-segment of vehicle finance, and this trajectory is expected to persist over the medium term as well.



## Asset quality concerns to ease with improvement in collection efficiencies



Source: CRISIL MI&A Research

## Personal loans – review and outlook

The growth trajectory of personal loans to continue in fiscal 2023

Outstanding book (Rs billion)	Share (FY22)	CAGR (FY18-FY21)	FY21	FY22	Growth for FY23E	Growth for FY24P
Overall	100%	28%	16%	21%	27-29%	18-20%
NBFC	19%	34%	9%	39%	44-46%	21-23%
Banks	81%	26%	18%	17%	23-25%	17-19%

Source: CRISIL MI&A Research

### Key points:

- Small-ticket loans below Rs 0.1 million accounted for 65-70% of the loans disbursed; their share (5-10% share in terms of value) is driven by borrowers in the lower age bracket
- Personal loan disbursements led growth in the overall segment, albeit on a very low base, and recovered past pre-pandemic levels in fiscal 2022
- Individuals with income less than Rs 0.3 million form a majority of borrowers in the personal loan market
- Rising digital penetration, driven by financial technology companies (fintechs), have resulted in a considerable rise in low ticket-size loans. The average ticket size declined from Rs 0.21 million as of March 2019 to Rs 0.08 million as of December 2022.
- The share of towns/cities Tier II and below in overall disbursement dominates and continues to inch upwards. The sharper focus of non-banking financial corporations (NBFCs) on these regions would support the growth trajectory, with the contribution from top 5 metro cities declining

The overall (banks and NBFC) personal loan book is estimated to grow to ~Rs 10 trillion by fiscal 2023 from ~Rs 7.6 trillion in fiscal 2022. The personal loan market saw an uptick in fiscal 2022 with the economy normalising and an overall positive market sentiment. Personal loans have grown 21% in fiscal 2022. They would likely grow 27-29% in fiscal 2023 and 18-20% this fiscal, benefitting from a healthy credit demand and a relatively lower base. However, systemic hardening of interest rates and other macro factors could present challenges to growth in the near term. Gross non-performing asset (GNPA) levels are expected to normalise in fiscal 2023 to pre-pandemic levels, led by a continued recovery in collection efficiency. With the job market improving and income-related risks subsiding, these factors are expected to spur lenders to boost disbursements.

The outstanding credit for NBFCs stood at Rs 1.5 trillion in fiscal 2022 and is projected to grow to ~Rs 2 trillion and ~Rs 2.6 trillion in fiscal 2023 and fiscal 2024, respectively. It is estimated to grow at 44-46% in fiscal 2023 before normalising to 21-23% this fiscal.

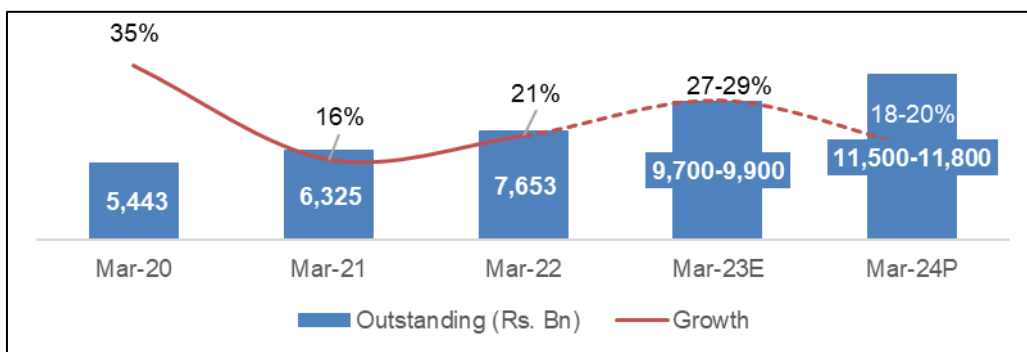


NBFC disbursements have grown 184% on-year in fiscal 2022 on a lower base of fiscal 2021. They grew by a further 36% in December 2022 on an year to date basis, following a moderation in fiscal 2021, when they were affected by pandemic-related stress and a cautious approach by lenders. Disbursements by banks grew at a slower pace than by NBFCs. They are estimated to increase 23-25% in fiscal 2023, following a 33% on-year disbursement growth till December 2022.

**Strong disbursements, especially from nbfc's, and improving collections support personal loan book growth in fiscal 2023**

Personal loan outstanding stood at Rs 8.1 trillion in fiscal 2022 and will likely post persistent growth in fiscal 2023. The personal loan segment is expected to grow to ~Rs 10 trillion in fiscal 2023 and ~Rs 12 trillion this fiscal. NBFCs aggressively build their retail book through lower-ticket-size personal loans and focus on growth in tier 2 and below cities. Banks focus on the salaried middle-age group borrowers and have a higher share in tier-1 cities as compared with NBFCs. The overall personal loan book, which increased at 23% compound annual growth rate (CAGR) between fiscals 2019 and 2022, is expected to grow at 17-19% CAGR from fiscal 2023 to fiscal 2024.

**Overall personal loan book estimated to post healthy 28-32% growth with increased demand**

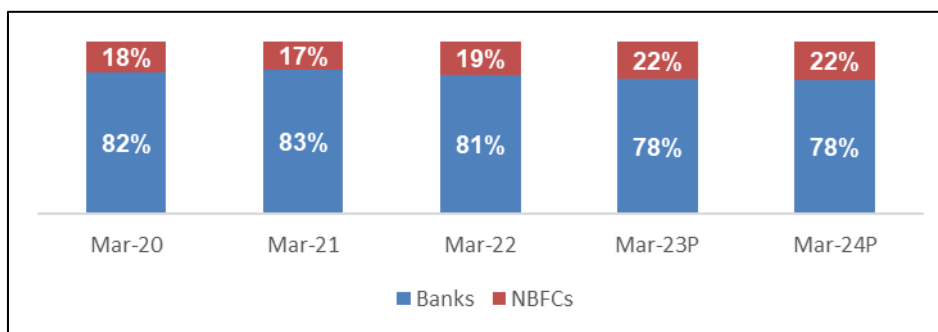


E: Estimated, P: Projected

Source: CRISIL MI&A Research, Credit Bureau

NBFCs have outpaced banks in terms of outstanding growth, leveraging their specialised focus and extensive branch network to reach remote areas. This, coupled with high contribution from the digital platform, took fintech-led growth to 21% in fiscal 2022.

**NBFCs estimate to capture further market share by 2023**



E: Estimated, P: Projected

Source: CRISIL MI&A Research, Credit Bureau

With NBFCs growing faster than banks, CRISIL MI&A Research expects NBFCs to increase their market share further in fiscal 2023. NBFCs have seen a sharp rise on account of an aggressive strategy and a low base of fiscal 2021 and are expected to sustain the pace of growth and capture share from banks. Fintechs and NBFCs compete fiercely with banks even though they cater to different consumer segments. Banks mostly focus on salaried, higher-ticket-size borrowers, while NBFCs and fintechs focus on bridging the financing gap for self-employed, low income, younger generation, and smaller ticket size borrowers.

**Digital Personal Loans**

With fintechs and NBFCs deepening their market penetration, the share of small-ticket personal loans (STPLs) is gradually increasing. The share of STPLs, which are loans below Rs 0.1 million, has risen gradually over the past few years. The volume of these transactions grew to 85-90% in fiscal 2022 from 75-80% in fiscal 2021. But in terms of value, these loans grew to 13-15% of total disbursements in fiscal 2022 from 10-12% in fiscal 2021. NBFCs and fintechs focus more on this bucket of personal loans and thus drag the average ticket size lower.

NBFCs account for ~20% of the market share in terms of value but have a 60-65% share in terms of the volume of transactions, primarily leading to a declining ticket size trend in the last few years.

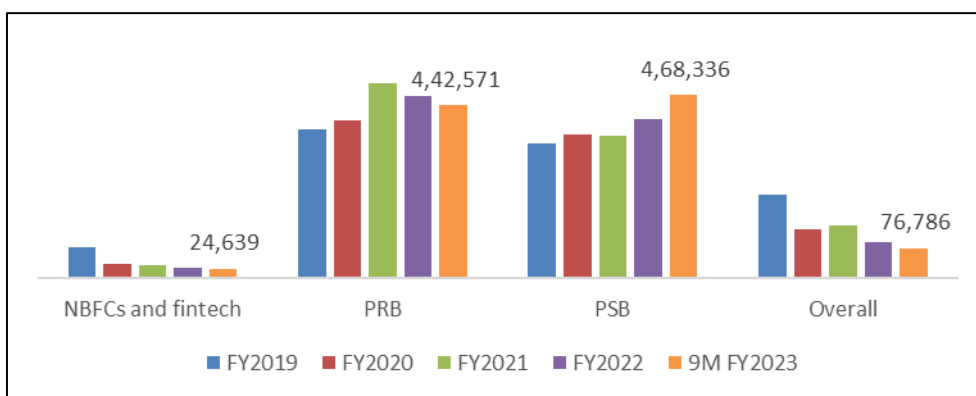
The average ticket size is ~Rs 28,000 for NBFCs and Rs 0.4 million for banks vis-à-vis an overall average of ~Rs 89,000. Consequently, NBFCs are taking the average ticket size lower with their strong reach and network.

Fintechs have been rapidly expanding their base in the personal loan segment by offering small ticket and low duration loans to younger, low-income and digital-savvy customers with insufficient credit history. The loans disbursed are as low as Rs 5,000-20,000 for aspirational customers. Fintechs primarily rely on the customer’s mobile phone data to assess their repayment ability. Algorithms track and analyse mobile phone data for specific insights on a customer’s liquid cash flow as well as repayment history, along with spending habits.

NBFCs and fintech’s risk management processes and data analytics capabilities have evolved over the years. Along with underwriting norms and monitoring mechanisms.

**Average ticket-size by lender type**

**Declining average ticket size led by increased demand for smaller ticket-size personal loans**

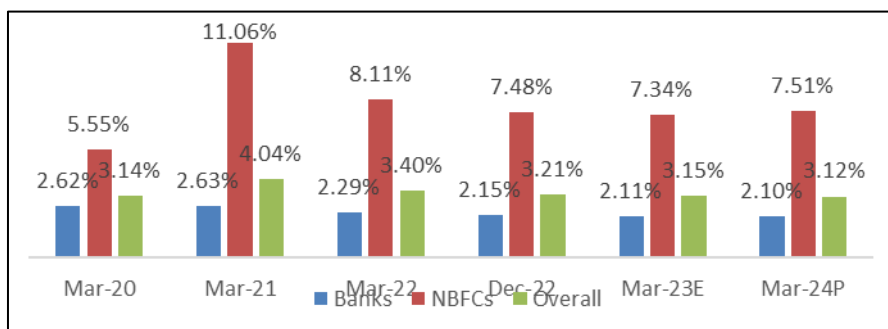


Source: CRISIL MI&A Research, Credit Bureau

**Asset quality expected to reach pre-pandemic levels in fiscal 2023**

Personal loan is an unsecured segment with no end-use monitoring. Gross non-performing assets (GNPAs) of major players increased in fiscal 2022 on account of the second pandemic wave with cashflow disruptions for borrowers with already weaker credit profiles. The collection efficiency improved in fiscal 2022 and further stabilised in fiscal 2023. Collections have improved since the second quarter of fiscal 2022, and GNPAs for NBFCs stood at 7.39% in fiscal 2022. They are expected to improve further at 6.6-6.7% in fiscal 2023 followed by improvement up to 5.9-6.1% in this fiscal for NBFCs with lenders focusing on collections and adopting a cautious approach towards disbursements. Also, lenders wrote off bad loans when the probability of default was higher, leading to an optical improvement in GNPAs.

**GNPAs estimated to improve significantly in fiscal 2023**



E: Estimated, P: Projected

Source: CRISIL MI&A Research, Company reports, Credit Bureau

Nevertheless, GNPAs are expected to moderate with improving collections. Given the unsecured nature of segment, asset quality will always be a key monitorable.

## MSME – Review and outlook

MSMEs bore the brunt of the first and second Covid-19 waves in fiscal 2021 and the first quarter of fiscal 2022, respectively. Given its close linkage with economic activity, the segment saw considerable impact from the frequent lockdowns and restrictions imposed to curb the pandemic, which disrupted demand, supply, and consequently, profitability in most sectors. This necessitated the need for relief measures, which the government promptly announced, in the form of the emergency credit line guarantee scheme (ECLGS) and reviewed on a timely basis to reduce impact on the sector.

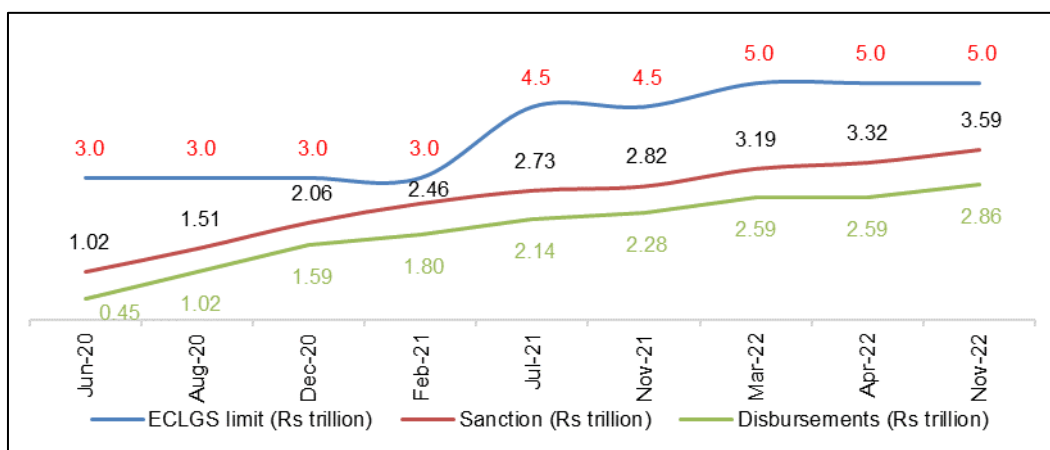
For fiscal 2023, with economic activity having normalising and revenue growth for corporate India expected at 16-18% and SMEs at 11-12%, CRISIL MI&A Research estimates MSME credit growth to be healthy again, at 15-16% for NBFCs and 13-15% for banks. Going forward, 14-15% and 12-14% growth is expected for NBFCs and banks, respectively.

### ECLGS benefitted ~11 million micro and small enterprises

ECLGS was announced as part of the Atmanirbhar Bharat package in 2020 to help businesses, including MSMEs, fulfil operational liabilities and resume business. As of November 2022, loans sanctioned under the scheme had crossed Rs 3.6 trillion (of Rs 5 trillion), with ~72% of the guarantees issued for loans sanctioned to MSMEs, and disbursements aggregated Rs 2.9 trillion. In Union Budget 2022-23, allocation under the scheme was increased to Rs 5.0 trillion from Rs 4.5 trillion, and the timeline for sanctions was extended till March 2023. The Rs 500 billion enhancement was exclusively earmarked for hospitality and related enterprises.

ECLGS enabled credit activity and provided liquidity support to businesses. It helped MSMEs revive business in the initial phase of the pandemic and scale up as economic activity returned to normalcy.

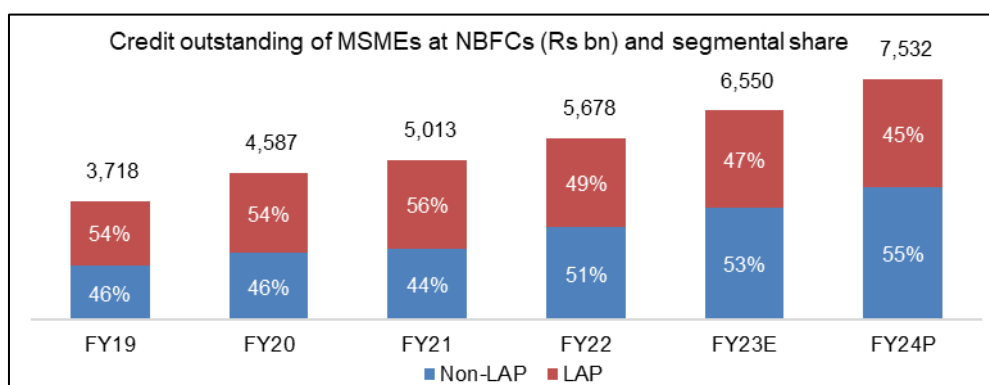
### ECLGS progress



Source: CRISIL MI&A Research, Press Information Bureau, RBI

### LAP segment constitutes two-thirds of NBFCs' MSME portfolio

NBFCs focused on the secured asset portfolio during the pandemic in fiscal 2021, which led the loans against property (LAP) book's market share to increase to 56% as of March 2021. In fiscal 2022, with economic activity returning to normalcy and businesses availing credit to kick-start business activities, growth in the non-LAP portfolio gained pace, with its share increasing to 51% as of March 2022; the trend is estimated to have continued in fiscal 2023, with its share estimated at 53% as of year-end.

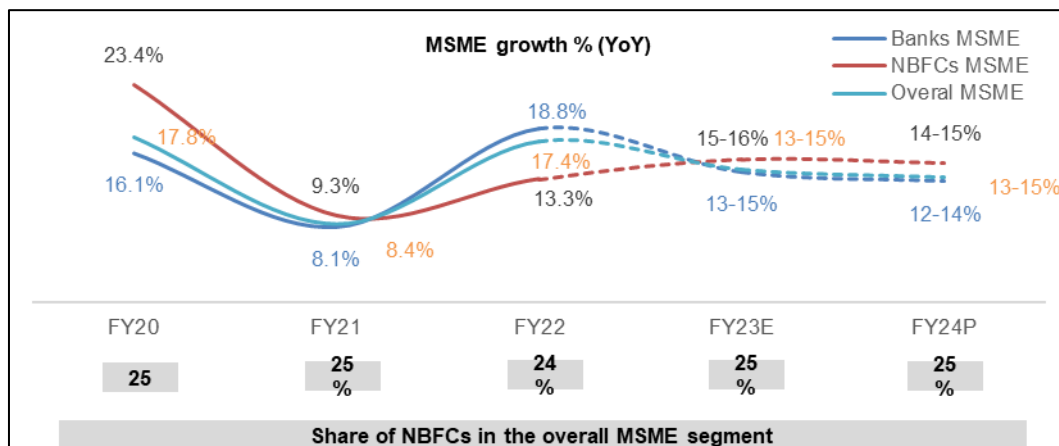


Note:

1. P: Projected, E: Estimated
  2. non-LAP segment includes secured and unsecured loans
- Source: Company reports, CRISIL MI&A Research

### Demand improvement to drive MSME credit growth this fiscal

#### NBFCs back on track, with healthy credit outlay to MSMEs



Note:

1. P: Projected, E: Estimated
2. Credit deployment data published by the RBI was revised. Hence, comparable numbers for the previous fiscal have been revised accordingly.

Source: Company reports, CRISIL MI&A Research

A faster-than-expected revival in economic activity and pent-up demand backed positive economic performance in the fourth quarter of fiscal 2021. Non-banks' outstanding MSME book grew ~9% on-year amid increased LAP demand. That said, in the first quarter of fiscal 2022, the MSME book witnessed degrowth in banks, as well as non-banks, on account of impact from the second wave of the pandemic. The segment started to recover from the second quarter, with improvement in demand from MSMEs, supported by the central government's decision to extend ECLGS to March 31, 2022 (which was extended further to March 31, 2023, in Union Budget 2022-23) and increase the guarantee from Rs 4.5 trillion from Rs 3 trillion (which was subsequently increased further to Rs 5 trillion).

The outstanding book of NBFCs in the MSME segment grew at 13% in fiscal 2022, supported by growth in disbursements in the non-LAP (unsecured and secured) segment.

#### LAPs: Growth to stabilise this fiscal

NBFCs' LAP portfolios are estimated at Rs 3 trillion in fiscal 2022. In fiscal 2021, the segment witnessed higher growth than non-LAP (secured and unsecured) as non-banks preferred mortgage-based lending over cash-flow-based lending in the short run, given the potential risks in other segments. Further, last fiscal, the LAP book is estimated to have grown at a slower pace than non-LAP, at 9-11%, and is expected to outpace banks, with 10-12% growth this fiscal.

LAPs are availed by mortgaging properties (residential or commercial) with the lender. The end use of the loan is not monitored closely; it could be used for business or personal purposes and can be availed by salaried, as well as self-employed individuals. A LAP is a secured loan, as it provides the financier collateral in the form of property. It has a lower interest rate than personal or business loans.

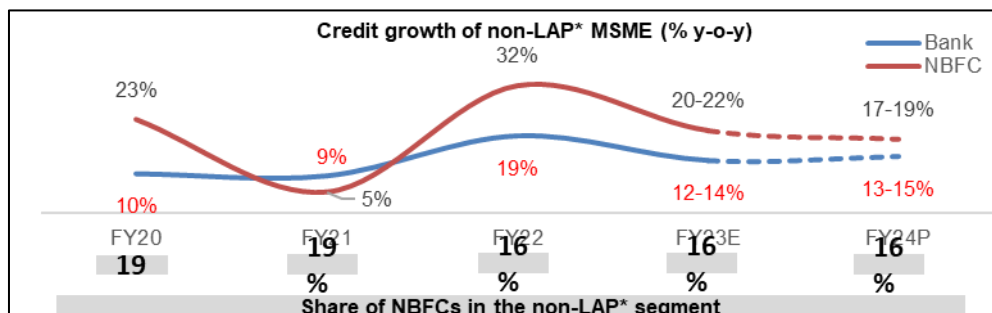
With the economy stabilising in the last two fiscals, NBFCs' LAP credit was muted in fiscal 2022. However, NBFCs are unlikely to be as aggressive as in the past when the segment logged a 12% compound annual growth rate (CAGR) between fiscals 2017 and 2020. Higher growth earlier was because of lower interest rates and increased penetration. However, after fiscal 2019, non-banks have lost their share in the LAP market as their focus was on containing asset quality deterioration. Banks registered strong growth in the segment with aggressive strategies, higher market penetration, lower cost of funds, and adequate liquidity support. CRISIL MI&A Research estimates the MSME LAP segment to have grown 9-11% in fiscal 2023, helped by improving economic conditions and mild impact from the third wave of the pandemic assisting in the normalisation of business activities, followed by 10-12% growth in fiscal 2024.

## MSME Secured Business

Non-LAP secured MSME loans include working capital products such as cash credit, overdraft facility, and bill discounting, as well as other term loan products such as asset-backed or hypothecated loans. Hypothecated loans are term loans where the collateral offered is a combination of property, inventory, and so on.

Unsecured MSME loans are given to self-employed borrowers without collateral. This form of lending is cash-flow-based, rather than collateral-based. Unsecured loans are underwritten based on financial statements, bank statements, Good and Services Tax returns, number of loans taken in the past, bureau checks, and scorecards, among others. An unsecured small business loan is usually taken to tide over a liquidity crunch, take advantage of short-term opportunities, or expand a small business, mostly when the bank's cash credit limit has been exhausted. Many lenders give these loans on top of existing secured loans with them.

## NBFCs' non-LAP credit growth to stabilise this fiscal



Note:

1. P: Projected
2. Credit deployment data published by the RBI was revised with effect from January 2021. Hence, comparable numbers for the previous fiscal have been revised accordingly.
3. \*non-LAP segment includes secured and unsecured loans

Source: Company reports, CRISIL MI&A Research

Due to the non-availability of collateral, underwriting plays a key role in maintaining the asset quality of unsecured business loans. Underwriting these loans requires relevant expertise and is powered by new financial technology and the increasing availability of data on customers' credit history. Competition in the secured loans market (especially retail loans) has compelled NBFCs and a few private banks to gain expertise in niche lending and build robust digital platforms to cash in on fresh opportunities in the unsecured business loans space, while maximising profitability. NBFCs are estimated to have had a non-LAP book of ~Rs 3 trillion as of fiscal 2022.

Because of the pandemic, non-bank lenders turned more cautious over unsecured MSME lending, and preferred mortgage-based lending (LAP and non-LAP secured) over cash-flow-based (unsecured) lending.

Business activity started to normalise from the second half of fiscal 2022. This, supported by a mild third wave, led economic conditions to improve, and consequently, credit demand to pick up. Banks and NBFCs shifted their focus towards non-LAP lending owing to its higher returns, which led non-banks to grow at 19% in fiscal 2022. CRISIL MI&A Research expects the growth momentum to continue with a marginal moderation and estimates NBFCs' non-LAP segment to have grown at 12-14% in fiscal 2023 on a higher base. Going further, credit growth for non-banks is expected at 13-15% this fiscal. However, any significant change in macroeconomic factors or geopolitical issues may pose a downside risk to credit growth.

## Asset quality

### Asset quality for MSMEs improved over past two fiscals

NBFCs' asset quality improved from ~6.7% in the first quarter of fiscal 2022 to ~5.1% as of March 2022. With continued improvement in economic activity, better collection efficiency, and faster credit growth, CRISIL MI&A Research estimates the asset quality to have improved further to 4-5% in fiscal 2023 and is expected to improve 3.5-4% this fiscal.

## OUR BUSINESS

*Some of the information contained in the following section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 15 of this Draft Shelf Prospectus for a discussion of the risks and uncertainties related to such statements, and also “Risk Factors” on page 20 of this Draft Shelf Prospectus for a discussion of certain factors that may affect our business, financial condition, cash flows, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless stated otherwise, or unless context requires otherwise, the financial information included herein is based on our Audited Consolidated Financial Statements FY 2021 and Audited Consolidated Financial Statements FY 2023 (which includes the restated comparative financial information as at and for the year ended March 31, 2022), and Unaudited Consolidated Financial Results for the three months ended June 30, 2023. For details, please see “Certain Conventions, Use of Financial, Industry and Market Data and Currency Presentation - Presentation of Financial Statements” and “Financial Statements” on pages 17 and 384 of this Draft Shelf Prospectus. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the 12 months ended March 31 of that year. Except as indicated otherwise, all references in this section to “we”, “us”, “our” or “our Company” are to Piramal Enterprises Limited and Piramal Capital and Housing Finance Limited.*

*The following information is qualified in its entirety and should be read together with the more detailed financial and other information included in this Draft Shelf Prospectus, including the information contained in “Financial Statements” and “Risk Factors” on pages 384 and 20, respectively, of this Draft Shelf Prospectus.*

### Overview

Our Company is the flagship company of the Piramal Group, one of the leading conglomerates in India. Our Company is a non-deposit taking, RBI registered systemically important NBFC, engaged in providing wholesale and retail lending. Our retail lending business is primarily conducted through our wholly owned subsidiary, Piramal Capital and Housing Finance Company Limited (“**PCHFL**”), a housing finance company registered with the National Housing Bank (“**NHB**”).

Our Company was incorporated on April 26, 1947 under the name ‘Indian Schering Limited’. We first entered the pharmaceuticals industry in 1988, following our acquisition of Nicholas Laboratories India Limited and have expanded through our organic and inorganic growth strategy. Over the years, we have conducted a series of mergers and acquisitions, joint ventures, strategic alliances and various organic initiatives, including entering into the financial services and healthcare insights and analytics space. Our Company entered the financial services sector by lending to the real estate sector. Thereafter, we expanded our lending platform to serve the needs of corporates and individuals. Until April 1, 2022, our Company was engaged in the business of (i) manufacturing pharmaceutical products and providing a diversified pool of pharmaceutical services through Piramal Pharma Limited (“**PPL**”); and (ii) providing financial services through our subsidiaries, PCHFL and PHL Fininvest Private Limited (“**PFPL**”).

With an aim to segregate the businesses of the Piramal Group, our Company entered into a scheme of arrangement with, *inter alia*, PPL and PFPL, which was approved by the NCLT by way of its order dated August 12, 2022 (the “**Scheme**”). Pursuant to the Scheme, the pharmaceutical business was demerged from our Company, and our wholly owned subsidiary PHL Fininvest Private Limited (a registered NBFC) was amalgamated into our Company. For further details of the Scheme, please see “*History and Certain Corporate Matters – Scheme of Arrangement*” on page 160 of this Draft Shelf Prospectus. Subsequently, we received the registration as a Non-Banking Financial Institution - Systemically Important Non-Deposit taking from RBI on July 26, 2022. Under the applicable RBI guidelines, our Company is identified as a Non-Banking Finance Company - Middle Layer (“**NBFC-ML**”), and our Subsidiary, PCHFL is identified as a Non-Banking Finance Company - Upper Layer (“**NBFC-UL**”).

Our Company presently provides (i) wholesale funding solutions to real estate developers, corporates and SMEs across sectors; and (ii) retail funding opportunities including housing finance, loan against property, secured small and medium enterprises (“**MSMEs**”) loans, other secured loans and unsecured loans (including microfinance loans) to individuals and MSMEs. In addition to our wholesale and retail lending business, we also have a fund management business which provides customised funding solutions through Piramal Credit Fund. The fund includes capital commitment from various investors including CDPQ. We also have a distressed and special situations investment platform, India Resurgence Fund (“**IRF**”) with Bain Capital Credit, which invests capital directly into businesses and acquires debt of distressed businesses. We also have presence in the life insurance sector, as we have a 50% shareholding in Pramerica Life Insurance (a joint venture with Prudential International Insurance Holdings), pursuant to our acquisition of Dewan Housing Finance Limited (“**DHFL**”).

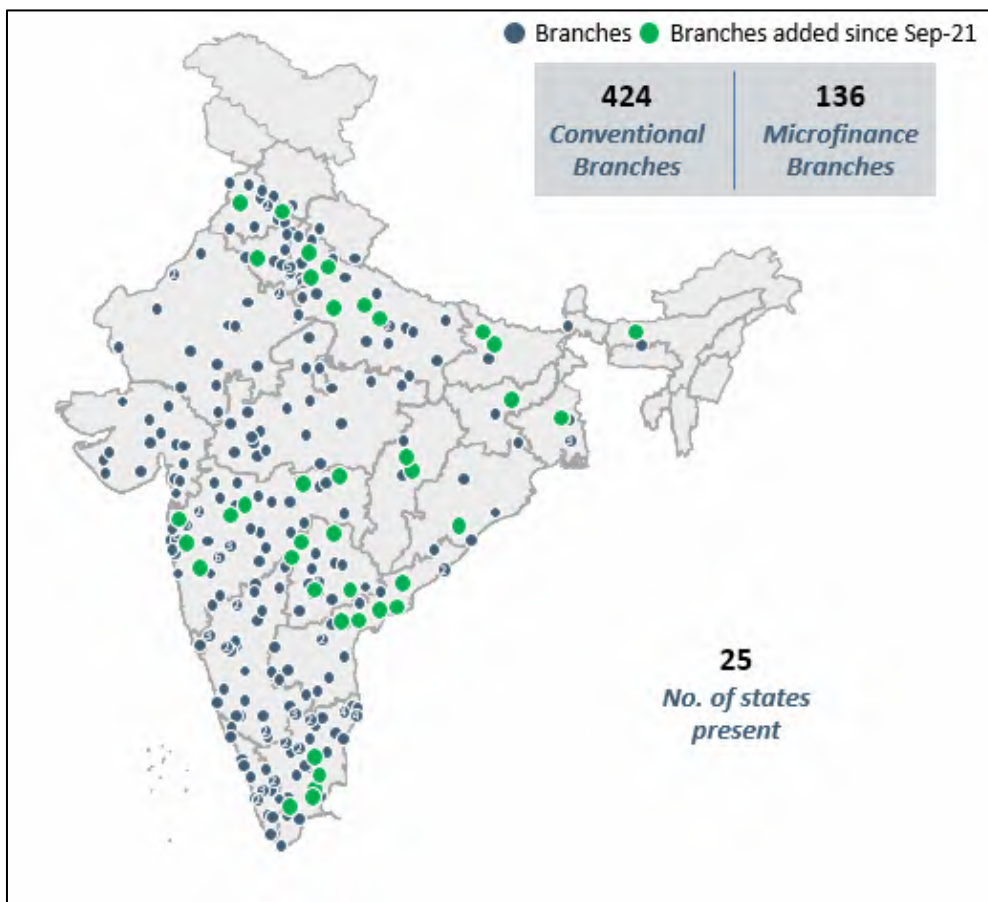
Our retail lending business primarily focusses on self-employed individuals and MSMEs. We offer four types of retail loan products, which are (i) home loans; (ii) secured MSME loans; (iii) other secured loans; and (iv) unsecured loans (including microfinance loans). Our wholesale lending business focuses on companies engaged in the real estate sector and certain other sectors such as NBFC/NBFC-FI, healthcare, infrastructure, renewable energy, hospitality, logistics, and auto components. For our real estate customers, we provide financing solutions such as early stage financing, structured debt, senior/ junior secured debt, construction finance and flexible lease rental discounting. Other than the real estate sector, our wholesale lending business



primarily focuses on cash backed, small ticket size construction finance clients as well as corporate and mid-market lending (“**CMML**”). For our wholesale lending business, we have introduced a new strategy ‘Wholesale 2.0’ recently, for loans sanctioned under corporate mid-market loans and real estate financing (“**Wholesale 2.0**”). We have recently also commenced Small Developer Finance (“**SDF**”) for lending to mid-market and affordable housing projects in low penetrated markets of Tier 1 outskirts and Tier 2/3 cities. For further details, please see “*Business Operations*” on page 150 of this Draft Shelf Prospectus.

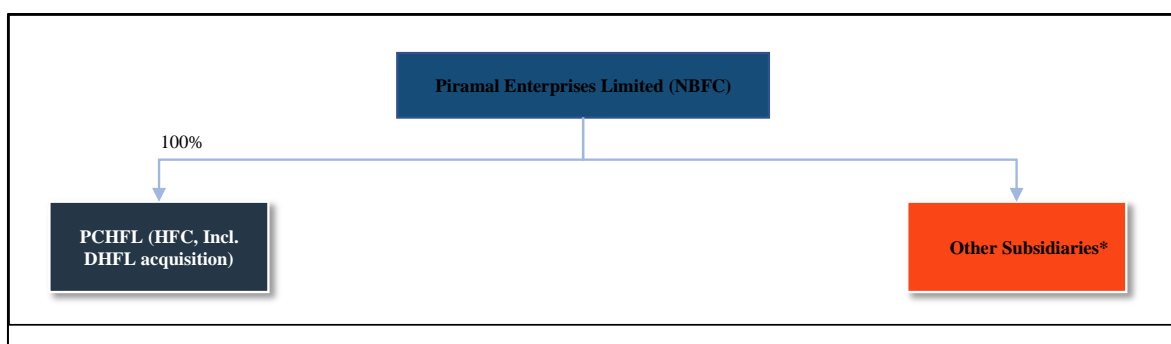
We have a rapidly growing network across India. The acquisition of DHFL has added a pan-India distribution network of a large number of branches to our existing branch network. As of June 30, 2023 we have 424 conventional branches, including 136 microfinance branches across 25 states and union territories across India.

The diagram below illustrates the number of conventional branches as of June 30, 2023.



### Corporate Structure

The diagram below illustrates our corporate structure.



\* Includes direct and indirect subsidiaries, namely, Piramal Credit Fund and India Resurgence Fund, Piramal Fund Management Private Limited, Piramal Systems & Technologies Private Limited, Piramal International, Piramal Technologies SA, Piramal Alternative Private Limited (formerly known as Piramal Asset Management Private Limited), PEL Finhold Private Limited, Piramal Dutch IM Holdco B.V., Piramal Consumer Products Private Limited, Piramal Securities Limited, Piramal Finance Sales and Services Private Limited, Viridis Infrastructure Investment Managers Private Limited, Piramal Alternatives Trust, Piramal Payment Services Limited, DHFL Advisory & Investments Private Limited, DHFL Investments Limited, DHFL Holdings Limited, INDIAREIT Investment

Our other subsidiaries are primarily engaged in businesses such as fund and asset management, alternative investment funds and other advisory services.

## **Our Strengths**

### ***Leverage of ‘Piramal’ brand and an experienced management team with proven track record***

We are the flagship company of the Piramal Group, an Indian conglomerate with a track record of establishing successful businesses in varied industries. Under the leadership of our Chairman, Mr. Ajay Piramal, the Piramal Group is one of the leading conglomerates in India with a presence across the pharmaceuticals, financial services and real estate industries.

We believe that being part of the Piramal Group enhances our ability to attract new clients and the brand value and scale of the business operations of the Piramal Group provides us with an advantage in an increasingly competitive market. We believe that our customers trust our brand and we benefit from the Piramal Group synergies such as the shared ‘Piramal’ brand name, capital, managerial and operational support from product line, strategic collaborations, and experience across various sectors. We continue to leverage the brand value of the Piramal Group to grow our business.

Our Board of Directors comprises individuals from the industry providing their experience and governance to the group. We have a seasoned, professional management team with relevant experience in various financial services and business functions, who guide our dedicated employees to enable business growth. We believe that our management structure and team with a depth of experience enables us to have a strong succession pipeline for senior leadership positions and also helps us to carefully nurture our culture of growth, innovation and high quality governance. For further details, see “*Our Management*” on page 164 of this Draft Shelf Prospectus.

### ***Strong presence in the underserved retail segment***

We believe that a large segment of India’s population which is self-employed or employed in informal sectors primarily require retail loans, and are currently underserved by formal financial institutions as they lack sufficient documentation and a historical credit trail. Over the years, we have concentrated on growing our retail segment with specific focus predominantly on the underserved tier 2, 3, 4 towns, as majority of the population in such areas largely relies on informal money lenders. We have capitalised on this opportunity by concentrating on our growth in the retail segment in such areas. The AUM of our retail lending business witnessed a growth of 49.15% from ₹21,552.28 crores as of March 31, 2022 to ₹32,144.23 crores as of March 31, 2023. The contribution of retail loans to our total AUM has been increasing, and as of March 31, 2023 the ratio of retail loans to wholesale loans in terms of contribution to our total AUM was 50:50, as compared to 33:67 as of March 31, 2022.

The varied ticket size of our retail loan products ranging approximately from ₹30,000 in microfinance to ₹18 lakhs in home loans and loans against property allows us to cater to the diverse requirements of our customers and capture a share of the untapped demand. Our home loan products in the retail lending business target to address the requirements of the large informal income generating segment of customers by customizing the products to cater specifically to their needs. The three primary loan products under the category of home loans are (i) affordable housing; (ii) mass affluent housing; and (iii) budget housing. As of March 31, 2023, our home loans held the maximum share of 54.63% of our total retail AUM, and 35.45% of our disbursements during Fiscal 2023. Prior to the acquisition of DHFL, our retail lending business was focused on home loans and loans against property. Post the acquisition, our retail lending business also includes secured and unsecured MSME loans, other secured and unsecured loans.

We have grown our network of retail branches from 311 branches as of June 30, 2022 to 424 branches as of June 30, 2023, increasing our reach to the customers in underpenetrated markets in India. We believe that there is a demand for credit in such markets which can be met with the use of technology and data.

We have leveraged our branch network along with our technology driven approach and partnerships to strategically design product offerings basis the customer segment, market and ease of accessibility. We believe that our wide network of branches combined with our multiple retail products and a technology driven approach enables an increased ease of access to credit for our customers.

### ***Strong asset quality with healthy underwriting and asset management practices***

We place emphasis on risk management and extensive due diligence practices aimed at choosing high quality assets and ensuring strong underwriting practices. We believe that we have a well-established risk management framework and healthy asset monitoring practices. The risk management framework spans across the pre-sanction and post-sanction stages, whereas asset monitoring is conducted throughout the life cycle of a project. We believe that our business processes ensure independence of functions and segregation of responsibilities.



The risk management framework adopted by us involves efficient and effective practices and processes followed by independent risk, legal, and compliance teams which directly report to the Board. Our loan book is secured with adequate security cover, mostly first charge on assets. Asset management teams conduct regular site visits for first-hand updates on projects. Our practices and processes are manifested in delivering high quality performances consistently. Despite headwinds of liquidity tightening and policy changes, our Company has been able to maintain strong asset quality during turbulent times in the market and economy. In the pre-sanction process, our Company analyses the potential investment at the pre-approval stage by leveraging our in-house real estate distribution arm verifies price, ticket size and sales velocity assumptions. For corporate borrowers, a detailed due diligence of business and its financials is conducted along with detailed market feedback. Every potential investment is subject to a standard risk scoring system by the risk team to measure risks associated with the investment. The financing is structured in a manner that links the disbursements of loans to the milestones linked to construction, approval and sales/collection of the underlying project, among other things. For further details in relation to the pre-qualification stage of financing projects, see “*Lending policies and procedures - Customer appraisal and approval process*” on page 153. In the post-sanction process, we have set up dedicated local teams in cities where we have investments as part of our constant asset monitoring efforts. The local teams assess the performance of each project from the time of its initial investment up to our Company’s exit or completion of such investment.

In the domain of retail portfolio management, the underwriting process strictly adheres to prudent norms, including compliance with Fixed Obligation to Income Ratio (FOIR) and Loan-to-Value (LTV) norms. Further, AI/ML risk score cards are used to reject the high-risk proposals. The evaluation process encompasses comprehensive legal and technical assessments of the associated property in mortgage products for which organization leverages in-house legal and technical team.

Company has an elaborate risk governance at executive level which comprises of various committees. Credit Risk Management Committee (CRMC) oversees portfolio performance, delinquency & collection resolution. A regular update is provided to CRMC on risk limits at a granular level. Operational Risk Management Committee (ORMC) is responsible for overseeing and managing operational risks within the organization. An independent Operational Risk Management team has created framework and tools such as Key Risk Indicators (KRI) to monitor, analyze, manage, and mitigate key risks. Further, Risk Control Matrices (RCM) are implemented to assess operational risk and test the effectiveness of controls. Fraud Risk Management Committee (FRMC) is responsible for overseeing and managing the risks associated with fraudulent activities. FRMC is presented with information related to fraud identification and control gaps in processes where vulnerabilities exist, and appropriate corrective & preventive procedures are advised.

We believe that enhanced asset management can be achieved by leveraging of technology. We use a technologically enabled internal proprietary scorecard system, which uses parameters over and above that of a CIBIL score. The system is seamlessly digitized, allows the entire lending process to be conducted digitally and fastens the disbursements to customers. It also enables us to cross sell our other products. The checks conducted by the technology used by us has multiple layers, at a branch and central level, ensuring that subjectivity is reduced from the underwriting process. In an effort to grow our digital embedded finance business, we continue to strengthen our partnerships with fintech NBFCs, transaction platforms, ed-techs, MSME platforms, and gold collateral companies. So far, we have launched few programs that are fully digital. Our digital finance business in the retail sector is presently focused on categories such as consumer fintech, pre-owned cars, education, healthcare services, merchant commerce, digital personal loans, gold loans and OEMs. Our technology backed approach provides us the flexibility to reach our customer base both physically and digitally and enables us to cross sell our products.

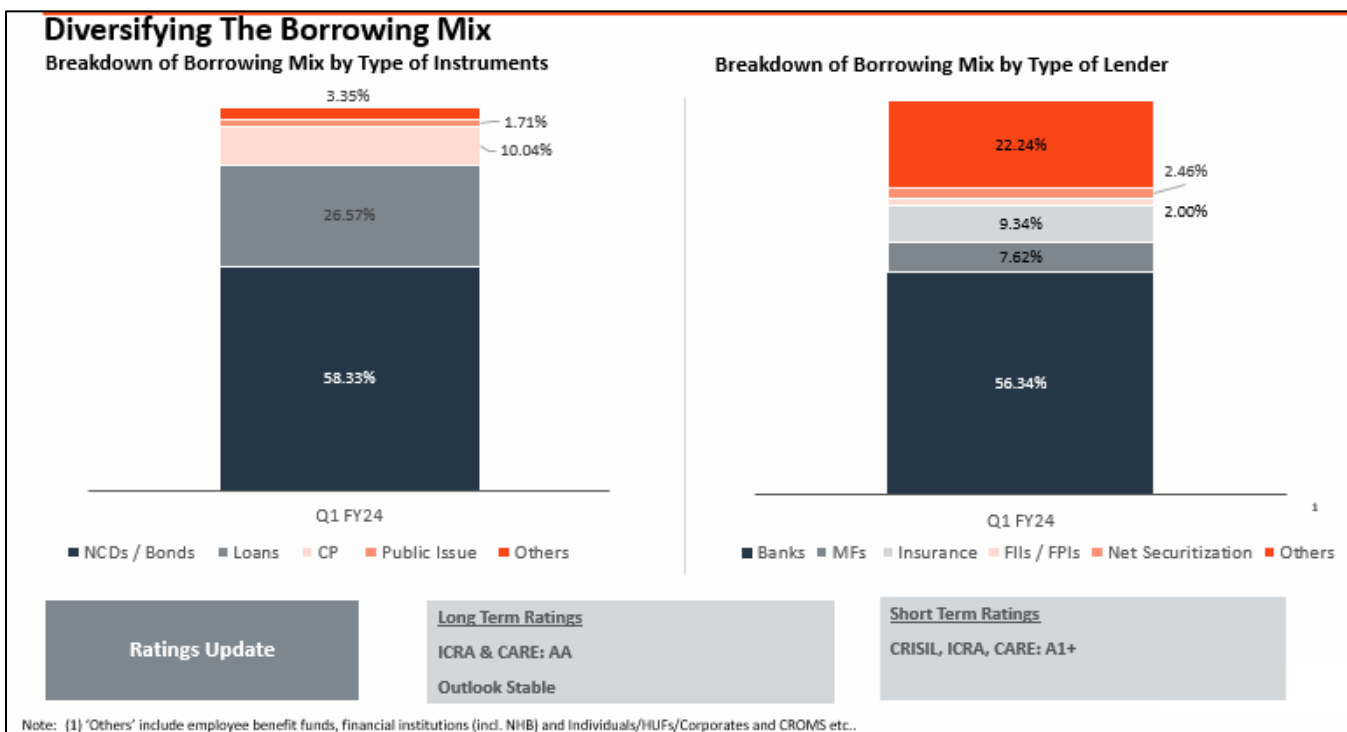
#### ***Healthy capitalisation and low leveraged balance sheet***

We conduct our operations under the NBFC license, and are subject to the capital to risk assets ratio (“**CRAR**”) requirements prescribed by the RBI. We maintain a healthy capitalisation and low leveraged balance sheet, which enables us to maintain a healthy financial position. As of March 31, 2023, our Tier I CRAR was 29.06% and our Tier II CRAR was 1.25% on a standalone basis, as against the statutory minimum capital adequacy of 15.00% currently prescribed by RBI. We are focussed on maintaining a balanced CRAR. Also, our Company has maintained a low leveraged balance sheet with debt to equity ratio of 0.36 on a standalone basis as of March 31, 2023. Our aim is to continue to maintain a low debt to equity ratio.

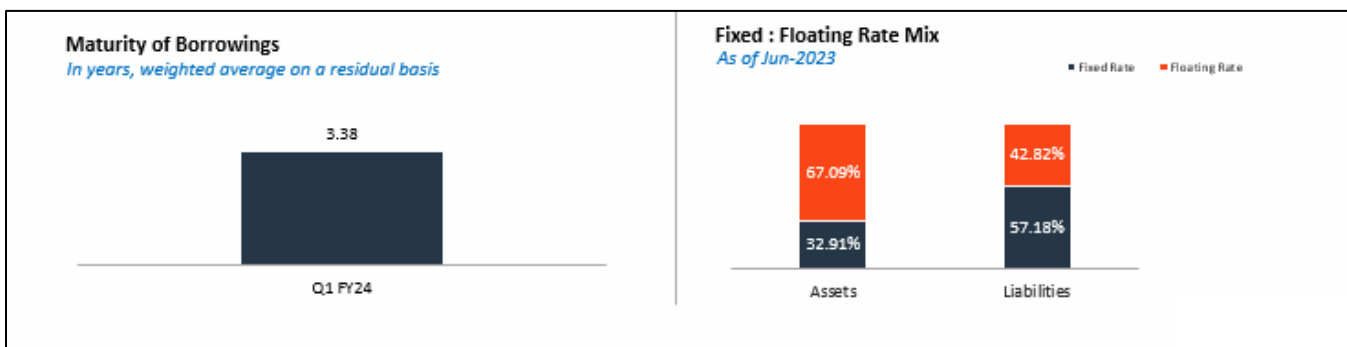
#### ***Diversified borrowing profile and well-managed asset-liability management (“ALM”) profile***

Over the years, we have developed a diversified funding base, maintained long-term relationships with our lenders and established a track record of timely servicing our debt obligations. We fund our capital requirements through multiple sources. Our primary sources of funding include term loans, issuance of non-convertible debentures, commercial paper, securitisation and external commercial borrowing. As of June 30, 2023, our borrowings (other than debt securities) were ₹19,068.37 crores, debt securities were ₹28,510.72 crores, deposits were ₹30.15 crores and subordinated liabilities were ₹129.90 crores, which is Tier II Capital.

The diagram below illustrates the breakdown of our borrowing mix by (i) type of instruments; and (ii) type of lenders, as of June 30, 2023.



We believe that we are well positioned to navigate the rising interest rates, with 57.18% of our total borrowings in Fiscal 2023, being fixed-rate liabilities and 32.91% of our assets being fixed rate assets. We aim to diversify our loan book and maintain a conservative liability mix.



In addition, we also have an effective asset liability management profile. We primarily borrow on a relatively long-term basis, while lending on a short term basis. This allows us to better meet the growing loan demands of our rapidly increasing customer base, even if external borrowings and funding sources face temporary realignment. In Fiscal 2023, we maintained a healthy ALM profile with positive gaps across all time periods, within the norms stipulated by the RBI.

We believe that our diversified sources of borrowing, stable credit history, strong credit ratings and effective ALM have allowed us to gain better access to cost-effective debt financing. As of March 31, 2023, our cash and cash equivalents and other bank balance on a standalone basis amounted to ₹1,881.50 crores, which we believe reflects our strong liquidity position.

#### ***Ability to build synergies through acquisition and integration of businesses***

We have an established track record of acquiring businesses to complement our existing business offerings, and scaling up and growing businesses. Through acquiring complementary businesses and synergies, we have sought to increase our scale, enhance our capabilities, and network and expand into adjacencies.

For instance, in September 2021, as part of our strategy to transform our financial services, we acquired DHFL pursuant to a reverse merger and integration into PCHFL, as part of a resolution plan. The total consideration paid for the acquisition was ₹34,250.00 crores. We have successfully integrated the business acquired pursuant to the acquisition of DHFL into our business. We have been able to service customers in the remote areas of India due to the vast branch network augmented by the acquisition of DHFL, which added a large number of branches to our existing network. Prior to the acquisition of DHFL, our retail lending business was focused on home loans and loans against property. Post the acquisition, our retail lending business also includes secured and unsecured MSME loans and other secured and unsecured loans, thereby reducing our concentration risk. Our focus

has been for all branches to be active and to provide multiple products. With the increase in the number of products offered and utilizing the branch network to its fullest capacity, most of our branches now provide multiple products, resulting in an increase in disbursements of not only home loans but across different product lines. The increase in our branches has enabled us to service customers in remote areas of India. The acquisition of DHFL has been a step towards efficiently optimising and deploying capital which is reflected in our capital adequacy ratio.

Our management team has undertaken significant acquisitions in the past, and these acquisitions have been instrumental in our rapid growth. We have successfully integrated such acquisitions into our business which has enabled us to further increase value for our stakeholders.

## **Our Strategies**

### ***Continue to focus on the financial needs in the underserved rural and semi-urban areas***

We believe that a large segment of India's population which is self-employed or employed in informal sectors primarily require retail loans, and are currently underserved by formal financial institutions due to lack of reach and perceived higher risks. We have maintained our focus on growing our customer base in such underpenetrated market and intend to continue to do so going forward. and intend to utilise this opportunity to strengthen our position in this underserved market. Our products have a ticket size ranging approximately from ₹30,000 in microfinance to ₹18 lakhs in home loans and loans against property which will enable us to cater to the diverse requirements of our customers and capture a significant share of the untapped demand.

We intend to continue penetrating deeper in the states and districts where we currently have operations, and also expand our footprint into other areas that have limited or no access to formal banking and finance channels. We intend to continue to grow our portfolio by enhancing our presence and reach to customers, by expanding our branch network through opening new branches. We have developed and implemented practices and policies to address the issues faced in the underserved market and to address the customers' need to access funds, while ensuring robust credit underwriting and collections policies. We will continue to evaluate the offerings at our branches and customize our products to the needs and demands of our customers in the region in which our branches are located and correspondingly expand existing operations and resources in different territories.

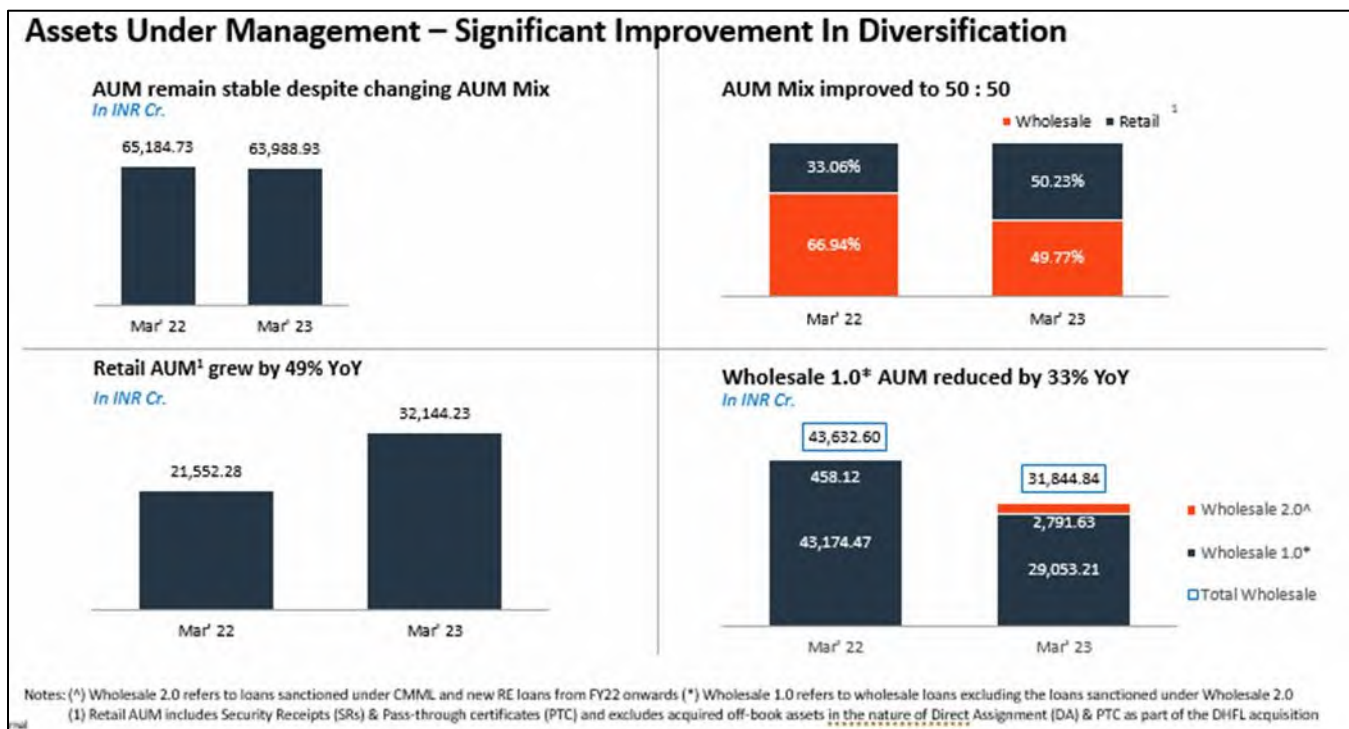
### ***Continue to steadily increase retail lending while maintaining a balance against wholesale lending***

Our retail lending business currently has four types of products, which are (i) home loans; (ii) secured MSME loans; (iii) other secured loans; and (iv) unsecured loans (including microfinance loans). We are evaluating potential products and opportunities, and aim to add new products to our retail lending business. We aim to create a loan book with a strong focus on retail products, as our retail lending business provides product diversification and also reduces customer concentration risk.

The acquisition of DHFL has resulted in an increase in the contribution of the retail lending business to our AUM. Our AUM for retail lending business witnessed a growth of 49.15% from ₹21,552.28 crores as of March 31, 2022 to ₹32,144.23 crores as of March 31, 2023. The ratio of our retail loan share to the wholesale loan share in terms of contribution to our total AUM increased to a ratio of 50:50 as of March 31, 2023 from 33:67 as of March 31, 2022. As of March 31, 2023, our disbursements from the retail lending business were ₹18,371.42 crores witnessing a healthy growth. We believe that our retail lending business will drive the overall growth of AUM.

We will continue to focus on improving the technology backed approach for our retail lending business, which we believe will drive our growth and enable us to have a multi-product approach for customers who are underserved by formal financial institutions. As we continue to expand our retail lending business, we are also investing in manpower, branch infrastructure, technology, and analytics of our retail lending business for its future growth. As a part of our business strategy, we aim to achieve a higher retail to wholesale lending ratio over the next few years, by further penetration in the retail segment and addition of branches. In line with our aim to balance wholesale lending, we have introduced a new strategy Wholesale 2.0 recently, for loans sanctioned under corporate mid-market loans and real estate financing. The new lending is more granular, selective and cash backed.

The diagram below represents our retail and wholesale AUM for Fiscal 2022 and Fiscal 2023.



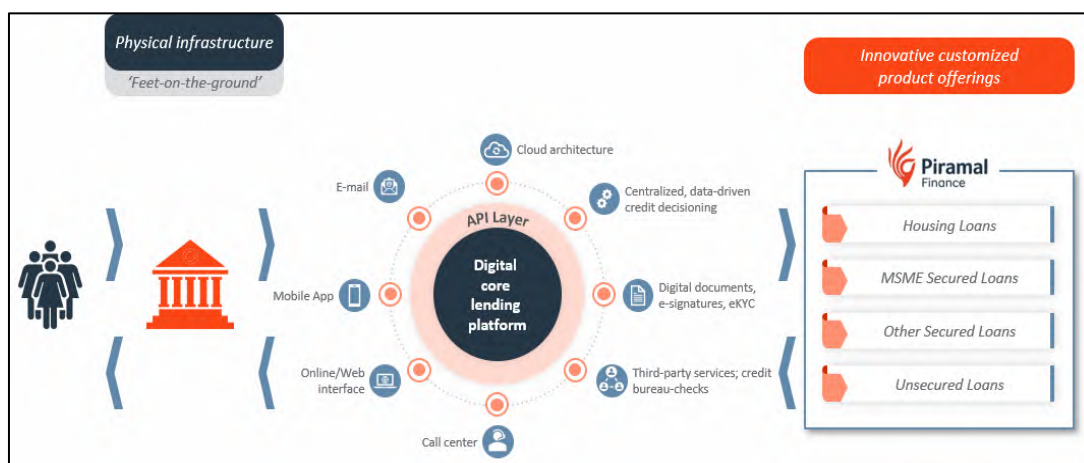
**Strengthen the granularization of the wholesale lending loan book with conservative provisioning to manage contingences**

We have made consistent efforts to granularize our existing loan book and build a healthy pipeline across real estate financing and corporate lending. We have been working towards building a quality wholesale lending loan book which primarily focuses on real estate financing and CMML. We have introduced a new strategy Wholesale 2.0 recently, for loans sanctioned under corporate mid-market loans and real estate financing. A key component of this strategy is focusing on granularizing our existing loan book while focusing on mid-market residential projects in tier-1 cities. We intend to expand in the top 15-20 tier 2 and tier 3 cities in India by lending to strong local developers through SDF and focusing on smaller ticket CMML. Our AUM from Wholesale 2.0 as of March 31, 2023 is ₹2,791.63 crores and we aim to further build a diversified and granular loan book backed by cash flows and assets in Wholesale 2.0.

Of our total AUM of ₹2,791.63 crores from Wholesale 2.0, ₹1,296.08 crores is from our real estate financing business as we continue to leverage the opportunity in real estate financing with a few major NBFCs/HFCs vacating the real estate financing business. We believe that from cyclical and structural perspectives, this is a conducive time to build our real estate financing business with better-governed developers. We are further in the process of reducing our AUM from our previous strategy ‘Wholesale 1.0’ through a combination of various means such as accelerated repayments and settlements. We have reduced the AUM from Wholesale 1.0 by 32.71% or by ₹14,121.26 crores from Fiscal 2022 to Fiscal 2023.

**Build a robust technology backed network to improve customer reach and operating efficiency**

We have adopted a technology backed approach to build our retail lending business. Our technologically enabled proprietary scorecard system that uses parameters over and above the CIBIL score for analysis of customers and also digitizes the customer’s journey ensuring a faster and seamless process. We intend to further develop and strengthen our technology platform to support our growth and improve the quality of our services. The diagram below illustrates our Company’s digital infrastructure.



As part of our digital initiatives, we will continue to focus on developing the skills of our technology staff to help design, develop and support our digital platforms. We will continue to update our systems and use latest technology to streamline our credit approval, administration and monitoring processes to meet customer requirements on a real-time basis. We are in the process of undertaking initiatives to employ the use of artificial intelligence (“AI”) in our operations, which we believe would help build predictive models across credit, sales, collections and risk functions. We believe that improvements in technology will also reduce our operational and processing time, thereby improving our efficiency and allowing us to provide better service to our customers.

#### *Seek growth opportunities through inorganic acquisitions*

We will actively seek growth opportunities in the businesses in which we operate as well as new segments in the industry that we see as potential areas of growth and value creation. These opportunities can take various forms, including green field investments, acquisitions, mergers, joint ventures, strategic investments and asset purchases. To this end we will continue to seek opportunities for inorganic growth. We will pursue these growth opportunities where we see the ability to add value for our various stakeholders and also grow our footprint across the businesses we operate in.

#### **Key operational and financial parameters**

The applicable key operational and financial parameters of our Company are presented as a non-financial sector entity for Fiscal 2021, and as a financial sector entity for Fiscal 2022, Fiscal 2023 and the three months ended June 30, 2023.

#### **Key operational and financial parameters for Fiscal 2023 and Fiscal 2022 on Standalone basis**

*(As per format for a financial sector entity)*

<b>BALANCE SHEET</b>	<b>Fiscal 2023 (in ₹ crores)</b>	<b>Fiscal 2022 (in ₹ crores)</b>
<b>Assets</b>		
Property, Plant and Equipment	11.77	71.86
Financial Assets	28,253.58	30,688.98
Non- financial Assets excluding property, plant and equipment	4,838.68	2,569.93
<b>Total Assets</b>	<b>33,104.03</b>	<b>33,330.77</b>
<b>Liabilities</b>		
<b>Financial Liabilities</b>		
Derivative financial instruments	-	-
Trade Payables	99.25	573.13
Debt Securities	4,322.18	5,318.73
Borrowings (other than Debt Securities)	4,393.08	3,052.69
Subordinated liabilities	-	-
Other financial liabilities	69.00	80.26
<b>Non Financial Liabilities</b>		
Current tax liabilities (net)	128.85	145.90
Provisions	56.26	56.20
Deferred tax liabilities (net)	-	-
Other non financial liabilities	0.95	18.34

<b>BALANCE SHEET</b>	<b>Fiscal 2023 (in ₹ crores)</b>	<b>Fiscal 2022 (in ₹ crores)</b>
Equity (Equity Share Capital and other Equity)	24,034.46	24,085.52
<b>Total Liabilities and Equity</b>	<b>33,104.03</b>	<b>33,330.77</b>
<b>PROFIT AND LOSS</b>		
Revenue from operations	4,785.22	2,718.54
Other income	51.91	101.68
<b>Total Income</b>	<b>4,837.13</b>	<b>2,820.23</b>
<b>Total Expenses</b>	<b>2,438.45</b>	<b>1,632.78</b>
Profit after tax for the year	14,333.30	997.68
Other Comprehensive income	145.57	28.36
<b>Total Comprehensive income</b>	<b>14,478.87</b>	<b>1,026.04</b>
<b>Earnings per equity share: ( Basic) (In Rs.)</b>	<b>600.56</b>	<b>41.87</b>
<b>Earnings per equity share: ( Diluted) (In Rs.)</b>	<b>598.58</b>	<b>41.71</b>
<b>Cash Flow</b>		
Net cash from / used in (-) operating activities	916.92	3,106.32
Net cash from / used in (-) investing activities	-37.31	-27.30
Net cash from / used in (-) financing activities	-603.50	-3,010.64
Net increase /decrease (-) in cash and cash equivalents	276.11	68.38
Cash and cash equivalents as per Cash Flow Statement as at end of the Year	1,678.22	1,409.90
<b>Additional information</b>		
Net worth	20,976.44	20,867.33
Cash and cash equivalents	1,678.22	1,409.90
Loans	8,758.34	10,534.87
Loans (Principal Amount)	8,987.79	10,758.59
Total Debts to Total assets (in times)	0.26	0.25
Interest Income	1,736.47	1,910.05
Interest Expense	711.77	1,243.37
Impairment on Financial Instruments	3.42	31.43
Bad Debts to Loans (in times)	0.16	-
% stage 3 Loans on Loans (Principal Amount)	4.01%	6.89%
% Net Stage 3 Loans on Loans (Principal Amount)	1.73%	2.93%
Tier I Capital Adequacy Ratio (%)	29.06%	#
Tier II Capital Adequacy Ratio (%)	1.25%	#

Notes :-

1. Net worth has been computed as per Companies Act, 2013.
2. Loans has been computed as per Amortised cost net of expected credit loss unless stated otherwise.
3. #On July 26, 2022, The Company had received the Certificate of Registration to carry on the business of Non Banking Financial Institution. Hence, Previous Years Figures have not been provided.

#### Key operational and financial parameters for Fiscal 2023 and Fiscal 2022 on a consolidated basis

(As per format for a financial sector entity)

<b>BALANCE SHEET</b>	<b>Fiscal 2023 (in ₹ crores)</b>	<b>Fiscal 2022 (in ₹ crores)</b>
<b>Assets</b>		
Property, Plant and Equipment	336.20	3,322.40
Financial Assets	74,436.52	84,300.28
Non- financial Assets excluding property, plant and equipment	8,979.44	12,250.23
<b>Total Assets</b>	<b>83,752.16</b>	<b>99,872.91</b>
<b>Liabilities</b>		
<b>Financial Liabilities</b>		
Derivative financial instruments	-	-

Trade Payables	399.27	1,696.93
Other Payables	-	-
Debt Securities	29,846.17	34,031.21
Borrowings (other than Debt Securities)	19,537.80	21,293.18
Deposits	71.96	-
Subordinated liabilities	126.88	126.60
Lease Liabilities	238.90	251.98
Other financial liabilities	1,445.88	1,169.45
<b>Non Financial Liabilities</b>		
Current tax liabilities (net)	721.16	3,630.08
Provisions	122.50	206.79
Deferred tax liabilities (net)	-	192.20
Other non financial liabilities	182.56	437.58
Equity (Equity Share Capital and other Equity)	31,059.08	35,489.13
Non-Controlling interest	-	1,347.78
<b>Total Liabilities and Equity</b>	<b>83,752.16</b>	<b>99,872.91</b>
<b>PROFIT AND LOSS</b>		
Revenue from operations	8,934.30	7,725.50
Other income	152.44	185.39
<b>Total Income</b>	<b>9,086.74</b>	<b>7,910.89</b>
<b>Total Expenses</b>	<b>11,551.08</b>	<b>6,283.39</b>
Profit after tax for the year	9,968.58	1,998.77
Other Comprehensive income	131.21	72.94
<b>Total Comprehensive income</b>	<b>10,099.79</b>	<b>2,071.71</b>
<b>Earnings per equity share: ( Basic) (In Rs.)</b>	<b>417.68</b>	<b>80.70</b>
<b>Earnings per equity share: ( Diluted) (In Rs.)</b>	<b>416.30</b>	<b>80.40</b>
<b>Cash Flow</b>		
Net cash from / used in (-) operating activities	1,359.34	8,442.99
Net cash from / used in (-) investing activities	-351.24	-2,131.27
Net cash from / used in (-) financing activities	-3,324.53	-6,773.85
Net increase /decrease (-) in cash and cash equivalents	-2,316.43	-462.13
Cash and cash equivalents as per Cash Flow Statement as at end of the Year	3,729.00	6,284.06
<b>Additional information</b>		
Net worth	29,020.65	32,709.33
Cash and cash equivalents	3,729.00	6,442.59
Loans	46,394.63	49,317.96
Total Debts to Total assets (in times)	0.59	0.56
Interest Income	7,798.62	7,522.78
Interest Expense	3,994.32	4,225.09
Impairment on Financial Instruments	-155.86	674.01
Bad Debts to Loans (in times)	0.10	0.00

Notes :-

1. Net worth has been computed as per Companies Act, 2013.
2. Loans has been computed as per Amortised cost net of expected credit loss unless stated otherwise.

**Key operational and financial parameters for the three months ended June 30, 2023 on a Standalone basis**

(As per format for a financial sector entity)

<b>PROFIT AND LOSS</b>	<b>Three months ended June 30, 2023 (in ₹ crores)</b>
Revenue from operations	1,194.38
Other income	7.96

PROFIT AND LOSS	Three months ended June 30, 2023 (in ₹ crores)
<b>Total Income</b>	<b>1,202.34</b>
<b>Total Expenses</b>	473.31
Profit after tax for the year	577.04
Other Comprehensive income	-19.14
<b>Total Comprehensive income</b>	<b>557.90</b>
<b>Earnings per equity share: ( Basic) (In Rs.)</b>	<b>24.18</b>
<b>Earnings per equity share: ( Diluted) (In Rs.)</b>	<b>24.10</b>
<b>Additional information</b>	
Interest Income	371.78
Interest Expense	201.40
Impairment on Financial Instruments	-44.69

**Key operational and financial parameters for the three months ended June 30, 2023 on a Consolidated basis**

*(As per format for a financial sector entity)*

PROFIT AND LOSS	Jun-23
Revenue from operations	2,898.97
Other income	20.82
<b>Total Income</b>	<b>2,919.79</b>
<b>Total Expenses</b>	<b>2,258.92</b>
Profit after tax for the year	508.78
Other Comprehensive income	9.74
<b>Total Comprehensive income</b>	<b>518.52</b>
<b>Earnings per equity share: ( Basic) (In Rs.)</b>	<b>21.32</b>
<b>Earnings per equity share: ( Diluted) (In Rs.)</b>	<b>21.25</b>
<b>Additional information</b>	
Interest Income	1,725.06
Interest Expense	1,035.40
Impairment on Financial Instruments	-1,172.98

**Key operational and financial parameters for Fiscal 2021 on Standalone basis**

*(As per format for Non financial sector entity)\**

BALANCE SHEET	Fiscal 2021 (in ₹ crores)
<b>Assets</b>	
Property, Plant and Equipment (including Capital Work in Progress and Investment Property)	1,366.57
Intangible Assets (including Intangible Assets under Development)	23.57
Financial Assets (Current and Non Current)	28,541.71
Other Non - Current Assets	570.02
Current Assets other than financial assets	196.21
<b>Total Assets</b>	<b>30,698.08</b>
<b>Financial Liabilities</b>	
<b>Financial Liabilities (Current and Non Current)</b>	
Borrowings (including interest)	6,671.90
Other financial liabilities	514.49
Non Current Liabilities	86.31
Current Liabilities	205.68
Provisions	35.96
<b>Total Liabilities</b>	<b>7,514.34</b>
Equity (Equity Share Capital and Other Equity)	23,183.74
<b>Total Equity and Liabilities</b>	<b>30,698.08</b>
<b>Profit and Loss</b>	
Total revenue from operations	1,824.70
Other income	95.76
<b>Total Income</b>	<b>1,920.46</b>



<b>BALANCE SHEET</b>	<b>Fiscal 2021 (in ₹ crores)</b>
<b>Total Expenses</b>	<b>1,731.31</b>
Profit for the period	39.90
Other Comprehensive income	380.55
<b>Total Comprehensive income</b>	<b>420.45</b>
Earnings per equity share:	
(a) basic; and (In Rs.)	1.68
(b) diluted (In Rs.)	1.68
<b>Cash Flow</b>	
Net cash used in (-)/generated from operating activities (A)	2,256.67
Net cash used in (-)/generated from investing activities (B)	2,678.94
Net cash used in (-)/generated from financing activities (C)	-2,465.68
Net increase /decrease (-) in cash and cash equivalents	2,469.93
Opening Balance of Cash and Cash Equivalents	-1,576.69
Cash and Cash Equivalents at end of the period	893.24
<b>Additional information</b>	
Net worth	18,535.09
Cash and cash equivalents	893.24
Current Investments	824.54
Net Sales	1,824.70
Earnings before interest ,taxes ,depreciation and amortization	1,290.74
Earnings before interest and taxes	1,257.92
Dividend amounts (Income)	8.39
Debt equity ratio (in times)	0.29
Debt service coverage ratio (in times)	0.29
Interest service coverage ratio (in times)	1.18
Current ratio (in times)	0.78
Long term debt to working capital (in times)	-3.86
Current Liability ratio - current liabilities/non-current liabilities (in times)	1.15
Total Debts to Total assets (in times)	0.19

**Key operational and financial parameters for Fiscal 2021 on Consolidated basis**

*(As per format for Non financial sector entity)\**

<b>BALANCE SHEET</b>	<b>Fiscal 2021 (in ₹ crores)</b>
<b>Assets</b>	
Property, Plant and Equipment ( including Capital Work in Progress and Investment Property)	5,545.61
Intangible Assets (including Intangible Assets under Development)	2,950.42
Financial Assets (Current and Non Current)	64,157.50
Other Non - Current Assets	2,381.06
Current Assets other than financial assets	2,084.28
<b>Total Assets</b>	<b>77,118.86</b>
<b>Financial Liabilities</b>	
<b>Financial Liabilities (Current and Non Current)</b>	
Borrowings (including interest)	39,369.15
Other financial liabilities	1,643.53
Non Current Liabilities	365.35
Current Liabilities	405.84
Provisions	196.04
<b>Total Liabilities</b>	<b>41,979.90</b>
Equity (Equity Share Capital and Other Equity)	35,138.96
<b>Total Equity and Liabilities</b>	<b>77,118.86</b>
<b>Profit and Loss</b>	
Total revenue from operations	12,809.35
Other income	363.64
<b>Total Income</b>	<b>13,172.99</b>

<b>BALANCE SHEET</b>	<b>Fiscal 2021 (in ₹ crores)</b>
<b>Total Expenses</b>	<b>10,114.51</b>
Profit for the period	1,412.86
Other Comprehensive income	386.85
<b>Total Comprehensive income</b>	<b>1,799.71</b>
Earnings per equity share:	
(a) basic; and (In Rs.)	56.19
(b) diluted (In Rs.)	55.68
<b>Cash Flow</b>	
Net cash used in (-)/generated from operating activities (A)	3,664.54
Net cash used in (-)/generated from investing activities (B)	-2,772.25
Net cash used in (-)/generated from financing activities (C)	2,071.58
Net increase /decrease (-) in cash and cash equivalents	2,963.87
Opening Balance of Cash and Cash Equivalents	2,611.58
Cash and Cash Equivalents at end of the period	5,581.65
<b>Additional information</b>	
Net worth	30,389.06
Cash and cash equivalents	5,719.01
Current Investments	3,562.09
Net Sales	12,809.35
Earnings before interest ,taxes ,depreciation and amortization	8,166.32
Earnings before interest and taxes	7,605.44
Dividend amounts (Income)	8.41
Debt equity ratio (in times)	0.96
Debt service coverage ratio (in times)	0.47
Interest service coverage ratio (in times)	1.73
Current ratio (in times)	1.49
Long term debt to working capital (in times)	4.31
Current Liability ratio - current liabilities/non-current liabilities (in times)	0.47
Total Debts to Total assets (in times)	0.41

**Notes for Fiscal 2021:-**

- \*On July 26, 2022, The Company had received the Certificate of Registration to carry on the business of Non Banking Financial Institution. Hence, Financial Year 2021 Figures have been provided based on Non Financial sector format.
- Net worth has been computed as per Companies Act, 2013.
- Debt equity ratio = [Total Debt / Total Equity]
- Debt service coverage ratio = [Profit before interest, tax and exceptional items / (Interest expenses + Current Borrowings including current maturities of long term debt)]
- Interest service coverage ratio = [Profit before interest, tax and exceptional items / Interest expenses]
- Current ratio = [Current assets / Current liabilities]
- Long term debt to working capital = [Non-current borrowings / working capital]

**Business Operations**

Our Company provides (i) retail lending services to individuals, MSMEs and micro finance institutions; and (ii) wholesale lending to real estate developers, corporates and MSMEs across sectors.

**1. Retail lending**

Our retail lending business is primarily conducted through our wholly owned subsidiary, PCHFL and focusses on self-employed individuals and micro, small and medium enterprises (“MSMEs”). We have been consistently increasing the gamut of products and services offered under the retail lending business. We offer four segments of retail loan products, which are (i) home loans; (ii) secured MSME loans against property; (iii) other secured loans; and (iv) unsecured loans (including microfinance loans).

The diagram below illustrates the products under our retail lending business.



While the customers may avail auto or consumer durable loans, they are unable to avail formal credit for housing or business loans by formal financing institutions. Our home loan products in the retail lending business target to address the requirements of the large informal income generating segment of customers by customizing the products to cater specifically to their needs. The three primary loan products under the category of home loans are (i) affordable housing; (ii) mass affluent housing; and (iii) budget housing. Our home loans have an average ticket size of ₹18 lakhs. As of March 31, 2023, our home loans held the maximum share of 54.63% of our total retail AUM, and 35.45% of our disbursements during Fiscal 2023. The table below provides the AUM and disbursement details as of March 31, 2023 for the four segments.

	Home Loans	Secured MSME	Other secured Loans	Unsecured Loans
	(in ₹ crores)			
	As of March 31, 2023	As of March 31, 2023	As of March 31, 2023	As of March 31, 2023
<b>AUM</b>	16,568.00	6,980.00	778.23	5,999.00
<b>Disbursements in Fiscal 23</b>	6,614.00	3,127.00	811.00	7,822.00

### Secured lending

Our secured lending category includes our three primary product categories, which are (i) home loans; (ii) MSME loans; and (iii) other secured loans. It is traditionally branch led and is characterised by customers having one on one assistance from a customer manager at the local branches. We cater to self-employed and salaried customers.

#### (i) Home loans

We provide financing in the housing industry to existing homeowners and new home buyers who are underserved by formal financial institutions in markets that are under-penetrated. Our retail housing products are designed as innovative solutions tailor-made for the specific needs of customers. We offer variants of housing loans to our target segment, based on multiple income assessment methods and leveraging household income, collateral, among other things. Our key product offerings for home buyers are (i) affordable housing loans; (ii) mass affluent housing loans; and (iii) budget housing loans. Our home loans contributed 54.63% to our retail loan book as of March 31, 2023 with average ticket size of ₹18 lakhs.

#### (ii) Secured MSME loans

We primarily provide financing to proprietors of MSMEs who wish to avail loans for their businesses and can offer property as collateral against the said loans. The properties offered as collateral may be residential, official, warehouses and also includes land. The loans are predominantly availed to expand ongoing businesses of the customers. Our key product offerings for MSMEs are (i) secured business loans; and (ii) LAP. Our secured MSME loans contributed 23.02% to our retail loan book as of March 31, 2023 with average ticket size of ₹21 lakhs.

**(iii) Other secured loans**

We cater to customers who require loans for their personal use including for used cars. We work with a large network of partners including dealers, agents, and aggregators. We are focused on growing this product segment. The average ticket size of the loans offered is ₹6 lakhs and constitutes 2.57% of our retail loan book as of March 31, 2023. Our other secured loans include sale-purchase, refinance and loan transfers for used cars. We cater to salaried and self-employed customers, including new customers and customers with a substantial credit history.

**Unsecured lending**

Under our unsecured lending category, we offer (i) personal loans; (ii) microfinance loans; and (iii) digital lending.

**(i) Personal loans**

Our personal loans under the unsecured lending category are typically provided to salaried customers. The loans typically do not have any foreclosure or part payment charges.

**(ii) Microfinance loans**

We offer loans under the joint liability group (“JLG”) model to customers with a monthly income as low as ₹25,000. The focus customer segment under this category is women entrepreneurs. Under the JLG model, loans are provided to individual customers, but a group of 4-5 members guarantees the repayment of loans given to individual members of the group. The average tenure of the loans is 18 to 24 months with ticket size ranging from ₹25,000 to ₹30,000.

**(iii) Digital lending**

We provide small ticket and short term loans under our digital loan segment, including products such as personal loans, purchase finance, merchant buy-now-pay-later, originating through digital channels and partnerships which have also helped us to increase our customer base. We have entered into partnerships with fintech NBFCs, transaction platforms, ed-techs, MSME platforms and gold collateral companies which we continue to expand. We have launched few programs that are fully digital, such as our technologically enabled internal proprietary scorecard system for our retail lending business. The technology behind digital lending is highly modular and has been originated in-house using generic APIs.

**2. Wholesale lending**

We have launched Wholesale 2.0 recently, which has contributed ₹2,791.63 crores to our total AUM as of March 31, 2023. The strategy for Wholesale 2.0 is to focus on granular loans which have a regular cash pay and are senior secured. There are two segments under Wholesale 2.0. (i) the real estate financing, focusing on mid-market residential projects in tier 1 cities; and (ii) the CMML, focusing on smaller ticket corporate loans (in sectors other than real estate). We are in the process of reducing the loans offered under Wholesale 1.0 through accelerated repayments and settlements.

**(i) Real estate financing**

Our real estate financing focuses on the mid-market residential projects in tier 1 cities. The average ticket size of the loans offered under real estate lending is ₹216 crores.

**(ii) Corporate mid-market lending (“CMML”)**

The corporate customers are engaged in various businesses including NBFCs, cement, shipping, power, pharma, IT, renewable energy, E-Mobility, textiles and healthcare. The average ticket size of the loans offered under CMML is ₹55 crores.

**Lending Policies and Procedures**

**Overview**

We are an NBFC registered with the RBI, which is the regulator for NBFCs in India. The RBI stipulates prudential guidelines, directions and circulars in relation to NBFCs. For further details, please see “*Regulations and Policies*” on page 325 of this Draft Shelf Prospectus.

Within the RBI guidelines, directions and circulars, NBFCs can establish their own credit approval processes. As such, once a company has obtained an NBFC license, the terms, credit levels, and interest rates of loans and any credit approvals would be based upon the NBFC's established internal credit approval processes framed in accordance with applicable regulations by the RBI. Each NBFC undergoes annual inspections by the RBI. The inspections are exhaustive and can last for a period of few weeks, during which the regulators review the NBFC's adherence to regulatory guidelines, scrutinize the loan book and individual loan files, including security documents, review the functioning of the Board of Directors and its committees and their adherence to minutes of various internal meetings, review the NPA and delinquent cases, review and evaluate the credit approval policies and credit assessment standards, review implementation of decisions and policies of the Board of Directors and review adherence to prescribed formats in the filing of regulatory reports.

We have a team of experienced officers in our credit appraisal and risk management teams to develop and implement our credit approval policies. Our credit approval policies focus on credit structure, credit approval authority, customer selection and documentation provided by the customer. Our risk management and appraisal systems are regularly reviewed and upgraded to address changes in the external environment.

### **Customer Appraisal Process**

Every potential investment is subject to a standard risk scoring system by the risk team to measure risks associated with the investment.

#### **1. Retail lending**

Our credit policies have been implemented with parameters including *inter alia* scorecard based decisioning, repayment behaviour, leverage norms, loan -to-value norms, verifications, collateral due diligence with an aim to build a quality portfolio. We determine the eligibility criteria based on different income assessment norms such as financial, banking, loan-to-value and repayment track record which offers maximum eligibility to the borrower with limited risk. We maintain an internal scorecard that provides risk score for each loan application and aids us in identifying and eliminating the high risk segment.

We have implemented credit checks and controls at multiple stages of the loan approval process to ensure quality portfolio assessment of creditworthiness of the prospective borrower and the ability to repay the loan in the stipulated period. The following four-step approval process is carried out for every retail financing proposal:

- (i) Onboarding: reviewing *inter alia* identification documents; verification of residential and office address, KYC documents and checking for fraudulent activities;
- (ii) Customer assessment: carrying out checks in relation to litigation, credit, defaults and financial assessment;
- (iii) Collateral assessment: legal and technical assessment of the proposed collateral; site visit; and project level feedback; and
- (iv) Centralised risk control: carrying out checks that the proposed financing plan is within the scope of our policy framework and sanctioned authorisations.

#### **2. Wholesale lending**

We consider a multitude of factors including risks relating to management, business, financial and structural risks at the pre-qualification stage in relation to our financing projects. We undertake a detailed evaluation of specific factors such as the promoters' track record, market reputation, and status of projects and business. Thereafter, projects located in select micro markets in Indian cities are preferentially short-listed. The deal memo is prepared by business and credit teams jointly ensuring full compliance with the sandbox conditions. Deal underwriting forms a part of the memo. Deal underwriting involves borrower assessment and transaction assessment. Borrower assessment includes review on the background of the borrower, past track record in the business, creditworthiness appraised through financials, net worth and credit due diligence, whereas transaction assessment includes focused evaluation of the project in terms of location, marketability, cost study, security structure and cash flow generating capacity for financial closure over the loan tenor. Further checks are done on project's approvals, construction status, sensitivity analysis on project financials. Credit metric used in the project appraisal include calculation of debt service coverage ratio (DSCR) and project leverage. Also, due diligences related to valuation, technical, approvability, title and financial are undertaken for the project evaluation.

We follow the following two-step approval process for every wholesale financing proposal:

- (i) In-principle approval of the deal clearance committee (“**DCC**”): The DCC consists of the heads of the risk team, legal team, asset management team, finance team and strategy team. The DCC provides an in-principle approval for the consideration of approving authorities; and
- (ii) Approval of the credit approving authority, i.e., executive credit committee (“**ECC**”): The deal is presented by the investment team before the appropriate approving authorities, consisting of the managing director, executive director, and independent directors as per our credit approval authorisation policy on the recommendation of the DCC for the final approval of the approving authorities.

### **3. Corporate and Mid-Market Lending**

All deals are originated by coverage team and evaluated by the credit and underwriting team considering the borrower financials, repayment options, cash flows, security structure and promoter track record amongst other various parameters. Detailed credit memos are independently vetted by risk team with all major financial ratios including gearing, cash flow statement, CIBIL checks, among other things. The proposals are approved by ECC (under the Board approved policy).

#### **Customer Approval Process**

Our customer approval process consists of various levels on a delegated basis, depending on the size of the financing and other metrics, in order to streamline the process while still providing for exceptional authorisations depending on the risk assessment. Any critical policy revisions in relation to *inter alia* new products and income programmes are jointly approved by the national credit manager, the chief operating officer and the head of compliance and thereafter ratified by the head of risk of Piramal Group and our board of directors on a quarterly basis.

We have developed an ‘automated proprietary fraud analytical rule engine’ (the “**Automated Engine**”) to streamline the loan application screening process and to identify and prevent fraudulent applications. The Automated Engine is used to scrutinise applications that have been processed through an external database, compare the information provided in these applications with our internal data base and other information in the public domain. The applications are scrutinised across 60 parameters to identify inconsistencies. Thereafter, the applications that fulfil this scrutiny move to the next level in the loan approval process. Further, we are in the process of implementing its first generation credit risk model to minimise risk and provide superior customer experience by improving the turnaround time for loan processing.

#### **Portfolio Monitoring**

##### **1. Retail lending**

Our collections team and recovery team manages various processes including loan administration, resolving delinquent accounts and following up on the collection process for payments which are overdue. We have a dedicated call centre to contact the customer in case of ‘early bucket delinquency’. We also have a network of collection agencies and field executives who are involved in the on-ground collection from delinquent customers. All matters in relation to dishonour of cheques and default in payments by the customer are closely monitored and corresponding reports in relation to default in payments and ‘account level overdue’ reports are published to stakeholders at regular intervals. Further, the legal team ensures that appropriate legal action is initiated as per the delinquency stage. The legal team also assists in the auctioning process and liquidation of assets on default under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. We also have a robust analytics based segmentation model to track delinquency and determine the differential treatment as per the prioritisation of cases.

##### **2. Wholesale lending**

We have a dedicated asset management team and local teams who are responsible for the following activities:

- (i) periodic pre-defined site visits to ascertain the progress and quality of the project implemented and in order to estimate any potential cost over-runs and delays. Thereafter, site visit reports are prepared including details of *inter alia* details the number of labourers on the site, slab costs, and the approval status. The site visit reports also contain the progress over the course of each site visit;
- (ii) monthly performance review of parameters including sales units, value, price, collections and various costs including monitoring and control of inflow and outflow in escrow account;
- (iii) computation of annual cash cover and the status of no-objection certificate issuances;
- (iv) comparison of actual performance versus projected business plan in terms of construction and sales;

- (v) monthly ‘early warning signal’ meetings to highlight the project performance, market trends, regulatory developments and action points for cases which require management’s attention; and
- (vi) analysis of operating and financial parameters to understand the business performance. The performance is also cross-checked with any movement in our credit ratings to detect any anomalies. In some cases, the board of directors as well as the investment team undertake analysis to monitor the key decisions at strategic levels.

Strong governance is also ensured through the Portfolio Monitoring Committee (PMC) which focuses on quarterly reporting, portfolio composition and health, codification of deals and immediate action for potential early warning signs.

Our risk audit and collection department review and monitor overall loan portfolio at regular intervals. These departments monitor debt repayment levels of particular loan exposures on a continuous basis. This allows us to identify potentially problematic loans at an early stage and helps prepare us for immediate action, if any principal or accrued interest repayment problems arise. The portfolio is monitored by way of various analyses consisting of bucket-wise ageing analysis (i.e., number of days past due) of the outstanding portfolio; concentration risk monitoring in segments of the portfolio; early warning delinquency analysis; and historical case review on a periodical basis, including review of credit risks and operational risks.

### 3. Corporate and Mid-Market Lending

Monitoring is undertaken by the credit team wherein all the borrowers are tracked on regular basis on their performance comparing with the business plan underwritten at the time of approval. This also includes regular visits at the clients’ place. Regular updates on the clients’ performance is given to the ECC.

#### Asset Recovery and Non-Performing Loans

Once an account is classified as an NPA, in accordance with the RBI Master Directions, proceedings under the SARFAESI Act commence. The proceedings commence with the issuance of a notice to the borrower and/or the guarantor calling upon them to pay the demanded amount within 60 days of issuing such notice. In the case of non-compliance, another notice is issued for taking over symbolic possession of the mortgaged property. Thereafter, applications seeking police assistance for taking physical possession of the mortgaged property are filed before the magistrates and collectors concerned. We then obtain a valuation of the mortgaged property and fix the reserve price and put it up for auction. At times, the property is also sold through private arrangements after obtaining the consent of the borrower. Portions of the portfolio where the likelihood of repayment is remote are written off. Subsequent recoveries on these portions are recognised directly in our income statement but the asset itself is not regularised and remains written off.

In addition to initiating proceedings under the SARFAESI Act, in the event that EMI or principal repayment cheques issued by our customers are dishonoured on account of insufficiency in funds, we initiate proceedings under the Negotiable Instruments Act, 1881 (the “**Negotiable Instruments Act**”) or the Payment and Settlement Systems Act, 2007 (“**PSS Act**”) for asset recovery and NPAs. Upon the receipt of the relevant information and documents such as the physical cheque and bouncing memo or dishonour of electronic funds transfer, proceedings under the Negotiable Instruments Act or PSS Act, as applicable, may be initiated by serving a notice demanding payment. If no payment is received within the stipulated period, a criminal complaint is filed before the competent court having jurisdiction to try the case. After the trial, if the accused person(s) are convicted, they are liable for imprisonment or fine or both. We also initiate arbitration proceedings based on arbitration clauses in our loan agreements. Once the arbitrator accepts the request for appointment, he/she sends acceptance in writing to all the parties to the dispute and calls upon the claimant to file the statement of claim. We file our statement of claim before the arbitrator and if required, an application under the Arbitration and Conciliation Act, 1996 seeking appropriate interim reliefs. If the respondent(s) do not appear in the arbitration proceedings even after due service, they proceed on an *ex-parte* basis. The proceedings are conducted in accordance with the procedure stipulated by law and by the arbitrator. After adjudication, *ex-parte* or otherwise, an award is passed by the arbitrator.

#### Risk Management

As a lending institution, we are exposed to various risks that are related to our business and operating environment. Risk management has been at the forefront of our Company’s focus and forms an integral part of our business. We have made pointed efforts to strive to be recognized as a diversified lender and have reduced our concentration risk by increasing the proportion of retail loans. We also aim to become more granular, expand our product portfolio and cater to the needs of our multitude of customers from varied markets. We believe that the diversification of our lending business accompanies with an increased focus on the retail lending business will make our business resilient to the various business cycles as by reducing our risk concentration. We are governed by stringent RBI regulations, the Board of Directors and committees independently evaluate the risk policies, business strategies and processes.

Our objective in risk management processes is to monitor the various risks that we are subject to, and to follow the policies and procedures to address these risks. The major types of risk we face are credit risk, operational risk, liquidity risk, interest rate risk, market risk (which includes interest rate risk), business cycle risk, cash management risk, reputation risk, technology risk, physical and infrastructure risk and resources risk.

In the domain of retail portfolio management, the underwriting process strictly adheres to prudent norms, including compliance with Fixed Obligation to Income Ratio (FOIR) and Loan-to-Value (LTV) norms. Further, AI/ML risk score cards are used to reject the high-risk proposals. The evaluation process encompasses comprehensive legal and technical assessments of the associated property in mortgage products for which organization leverages in-house legal and technical team.

Company has an elaborate risk governance at executive level which comprises of various committees. Credit Risk Management Committee (CRMC) oversees portfolio performance, delinquency & collection resolution. A regular update is provided to CRMC on risk limits at a granular level. Operational Risk Management Committee (ORMC) is responsible for overseeing and managing operational risks within the organization. An independent Operational Risk Management team has created framework and tools such as Key Risk Indicators (KRI) to monitor, analyze, manage, and mitigate key risks. Further, Risk Control Matrices (RCM) are implemented to assess operational risk and test the effectiveness of controls. Fraud Risk Management Committee (FRMC) is responsible for overseeing and managing the risks associated with fraudulent activities. FRMC is presented with information related to fraud identification and control gaps in processes where vulnerabilities exist, and appropriate corrective & preventive procedures are advised.

**Credit risk** - Risk arising from the possibility of loss due to the failure of any counterparty to abide by the terms and conditions of any financial contract with us.

**Operational risk** - Risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events.

**Market risk** - Risk of potential losses arising from the movement in values of marketable instruments due to adverse price movement.

**Liquidity risk** - Risk of being unable to raise necessary funds from the market at optimal costs to meet operational and debt servicing requirements.

**Business cycle risk** - Risk associated with the seasonal or cyclical nature of a business.

**Cash management risk** - Risk of being unable to effectively manage cash transactions.

**Reputation risk** - Risk arising from negative perception about the organization on the part of stakeholders.

**Technology risk** - Risk of loss due to technology failures such as information security incidents or service outages.

**Physical and Infrastructure risk** - Risk of loss and people safety due to disruption of basic services/infra due to natural or manmade events.

**Resources risk** - Risk of not having the right resources with the right skills/competencies at the right time to achieve business goals. and/ or fixed rates of interest, while we primarily extend credit at floating and/or fixed rates of interest.

Our Company has a Board approved Risk Management Policy with Credit Risk, Operational Risk, Fraud Risk, Liquidity Risk, Interest Rate Risk, Market Risk etc. as its key components. To oversee each of these key risks, the management level Committees such as Operational Risk Management Committee (ORMC), Fraud Risk Management Committee (FRMC), Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC) - Retail, Credit Risk Management Committee (CRMC) – Wholesale, Sustainability and Risk Management Committee (SRMC) are constituted.

## **Information Technology**

We realize the importance of information technology and use information technology as a strategic tool for our business operations to improve our overall productivity and efficiency. We believe that through our information systems which are currently in place, we are able to manage our nationwide operations efficiently, market effectively to our target customers, and effectively monitor and control risks. For our employees, many key workflow processes are accessible through hand-held devices and mobile apps. We have also implemented security tools to ensure data security.

Information technology acts as an enabler in our business and helps us in achieving growth, scale of operations, ease of use, customer focus and secure operations. We implement process automation across various functions in an effort to reduce manual processes, increase efficiency and reduce errors. The system is seamlessly digitized and allows the entire lending process to be conducted digitally and fastens the disbursements to customers. It also enables us to cross sell our other products. The checks conducted by the technology used by us have multiple layers, at a branch and central level, ensuring that subjectivity is reduced



from the underwriting process. For further details please see “*Our Management – Committees of the Board of Directors – IT Committee*”.

We will continue to update our systems and use latest technology to streamline our credit approval, administration and monitoring processes to meet customer requirements on a real-time basis, and continue to undertake information technology enhancement initiatives. We believe that improvements in technology will also reduce our operational and processing time, thereby improving our efficiency and allowing us to provide better service to our customers.

### Customer Service and Grievance Redressal Processes

We have implemented a grievance redressal policy and a well-defined structured system to resolve any issues faced by our customers in a just, fair and timely manner. Customers can register their grievances through email or telephone. Customer complaints are promptly recorded in a complaint register, after which our representatives contact the client in order to find out more facts about the complaint and resolve it on an urgent basis. The relevant office where the complaint was lodged is primarily responsible for ensuring that the complaint is resolved to the customer’s satisfaction. In case the complaint is not resolved within a period of 15 days or if the customer is not satisfied with the solution provided by the Company, the customer can approach the Grievance Redressal Officer/ Nodal Officer of the Company. All complaints are endeavored to be resolved within 15 days of receipt. In case a complaint is not redressed within a period of 15 days, the customer may appeal to the Department of Supervision of RBI. The Board periodically reviews the compliance and functioning of the Grievance Redressal Mechanism.

### Competition

The finance industry in India is highly competitive. Our primary competitors in our financial services division include other non-banking financial companies and we also compete with other banks for our financial services business including established Indian and foreign commercial banks, NBFCs, HFCs, small finance banks, microfinance companies, scheduled commercial banks and the private unorganized and informal financiers, as well as fintech and insurance companies and advisory businesses, who principally operate in the local market. We generally compete on the basis of the range of product offerings, reach of branches, turnaround time and simple, transparent and efficient loan process, as well as trained and skilled employee base, with our competitors. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalizing related operational costs

For further details, please see “*Risk Factors – The financing industry is becoming increasingly competitive, and our Company’s growth will depend on its ability to compete effectively*” on page 29 of this Draft Shelf Prospectus.

### Key Awards and Accolades

The table below sets forth the awards in the history of our Company and Piramal Capital Housing Finance Limited:

Year	Particulars
2023	• Ranked 12 <sup>th</sup> in the top 20 list in the ‘BW Businessworld India’s Most Sustainable Companies list’.
	• Piramal Group has been ranked as the ‘Best Organisations for Women 2023’ by the Economic Times.
	• PCHFL – ‘Retail’ was certified as a ‘Great Place to Work’ by the Great Places to Work Institute, India. The certificate is valid for a period of one year from February 2023 to February 2024.
	• Recognised as one of the ‘50 Best Firms for Data Scientists to Work For – 2023’ by Analytics India Magazine.
2022	• Piramal Finance* has been awarded for ‘Best Business Impact through Research’ at the ‘Golden Key Awards 2022’ by Market Research Society of India.
2019	• Piramal Finance* has been ranked amongst ‘Organisations with 1,000 employees or more that have met the criteria of ‘Great Places to Work’ certification by the ‘Great Places to Work Institute, India’.
	• PCHFL was awarded as the ‘Best Debt Provider of the Year – Alternative’ by ‘Private Equity Wire Awards 2019’
2018	• Piramal Finance* was awarded as the ‘leading real estate project finance company of the year’ by ‘CREDAI, MCHI, the Golden Pillar Awards’.
2017	• Piramal Finance* ranked 4 <sup>th</sup> in the ‘Great Mid-Size Workplaces in India’s Top 10 Great Mid-size Workplaces, 2017’ by the ‘Great Place to Work Institute, India’.

*These awards were received in the name of ‘Piramal Finance.’ However, on March 31, 2018, the erstwhile Piramal Capital & Housing Finance Limited (‘ePCHFL’) was formed by the reverse merger of PHFL with ‘Piramal Finance Limited.’*

## Environmental, Social and Governance (“ESG”)

To enhance the corporate governance, we have set up a Sustainability and Risk Management Committee that oversees the implementation of strict controls and procedures to facilitate the shift towards a more sustainable economy and encourages the adoption of technological advancements. The Sustainability and Risk Management committee is designed to oversee the implementation of sustainable strategies, policies and practices and ensure it is aligned with core values. The committee meets periodically to review the progress on the sustainability goals and targets, and implement initiatives while tracking data and key performance indicators. Our Company’s ESG focus areas are corporate governance, stakeholder management, employee management, grievance management, commitment to maintain operation ecological efficiency and employee wellbeing, health and safety.

Our Company recognizes the importance of conducting business in a responsible manner for building trust and credibility among stakeholders. Our ESG Policy aligns with our goal of sustainable development and aims to minimize risks and impacts through robust and documented systems. Our ESG policy vision is aimed at creating long-term sustainable values for stakeholders. We aim to ensuring profitability with ethical, environmental and social responsibility, including ESG practices into our business and operations. Our policy maintains the objective of creating value for all stakeholders by making prudent lending and investment decisions to support sustainable economic growth. It incorporates ESG considerations into operations, emphasizes on conducting business with integrity and good governance practices, ensures compliance with human rights throughout the entire value chain, establishes effective communication with stakeholders, maintain employee safety and well-being, and focuses on reducing emissions.

### Employees

As of June 30, 2023, we have a dedicated workforce of 13,635.

We firmly believe that our employees are integral to the culture and continued success of our business and that our composition allows us to utilise our talent efficiently and effectively. We use a holistic assessment process consisting of steps for behavioral, value based and functional evaluation including sound resume screening, psychometric testing aligned to our values, Piramal Success Factors and interviews. We have instituted several programs for our employees that are designed to maximize their potential at the workplace, and have also developed focused induction programs that are customized and segmented into sales or branch based employees and corporate employees. The induction programs have been designed to ensure that each employee is given the relevant information and their queries can be addressed appropriately.

The Piramal Learning University (the “PLU”) is our flagship brand representing learning and development. PLU offers an opportunity to learn to employees to build their behavioral and functional capabilities. Further, ‘Pragati’ - our career advancement program provides our people with opportunities for professional development and growth within the organization. It is a transparent, but rigorous process where open roles are advertised within the organization and to which interested employees are invited to apply. A fitment process is then executed and employees are moved to the new role.


### Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include directors’ and officers’ liability insurance, general liability insurance policy, cyber liability insurance policy, group term life insurance policy, contractors all risk insurance policy, burglary policy. Our insurance policies may be insufficient to cover our economic losses. For further details, see “*Risk Factors - Our Company’s insurance coverage may not adequately protect our Company against losses which could adversely affect our Company’s business, financial condition and results of operations*” on page 43 of this Draft Shelf Prospectus.

### Properties

Our registered office and corporate office located at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400 070 is leased by us. In addition, our branches located in various districts in India are either owned by us or leased by us. As of June 30, 2023, we have a total of 424 conventional branches, out of which 6 are owned branches, and 418 are leasehold branches.

### Intellectual Property

We conduct our business mainly under the “Piramal” brand names and the “Piramal” logo . We have entered into a license agreement with Piramal Corporate Services Private Limited for use of the logo for our business, pursuant to which we are permitted to use the logo and brand name until March 31, 2026. For further details, see “*Risk Factors – We do not own the trademark and the logo associated with “Piramal” brand name. Consequently, our ability to use the trademark, name and logo may be impaired*”. Further, PCHFL owns device marks such as ‘Super’, ‘ Bridge Loan’, and word marks such as ‘Samarthya’, in relation to its business operations.

## Corporate Social Responsibility

We believe that corporate social responsibility program (“**CSR**”) is an important foundation of our business reputation. Our corporate social responsibility activities are primarily conducted through Piramal Foundation which focuses on alleviating the disadvantaged populations and bringing about long lasting changes in India by working on development at the grass root levels like strengthening government systems and institutions, leadership development, digitization, and harnessing the power of youth for nation building. We prioritize empowering marginalized communities across India and carrying out our responsibility towards the society.

Our Company believes in collaborating with like -minded partners and nurtures projects that are scalable and deliver a sustainable impact. In line with our sustainable development goals, we endeavor to improve the quality of life sustainably primarily through striving to make financial help and education accessible to all marginalized communities. These efforts aim to help people secure their savings, increase their earning potential, and improve access to education, healthcare, and essential services. We have incurred an expenditure of ₹20.00 crore on CSR activities for Fiscal 2023.

The CSR activities we undertake are in accordance with a CSR policy adopted by the CSR Committee. Some of our notable CSR programmes include the following.

- Project Sampurna, which aims to promote social and emotional learning among children in 24 districts of Jharkhand;
- (Buniyadi Shiksha Abhiyan, which aims to improve primary education and skills in 112 targeted districts through district administration collaboration, training workshops, community classes, and assessments; and

Karuna fellowship programme which aims to empowers women from underprivileged sections of society by inculcation of holistic, comprehensive life skills, livelihood skills and digital skills.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief background of our Company

Our Company was originally incorporated as a public limited company under the name of 'Indian Schering Limited' on April 26, 1947 under the provisions of the Indian Companies Act, 1913, pursuant to a certificate of incorporation issued by the RoC. Subsequently, the name of our Company was changed pursuant to fresh certificates of incorporation, to Nicholas Laboratories India Limited with effect from September 27, 1979, to Nicholas Piramal India Limited with effect from December 2, 1992, to Piramal Healthcare Limited with effect from May 13, 2008 and to Piramal Enterprises Limited with effect from July 31, 2012. The CIN of our Company is L24110MH1947PLC005719.

Our Company has obtained a certificate of registration dated July 21, 2022, bearing number N-13-02432 issued by the RBI as a Systematically Important Non-Deposit taking Non-Banking Financial Company, to commence/ carry on the business of non-banking financial institution under Section 45-IA of the RBI Act, 1934.

### Registered and Corporate Office

Piramal Ananta, Agastya Corporate Park,  
Opposite Fire Brigade, Kamani Junction,  
Kurla (West), Mumbai – 400 070.

### Changes in the Registered Office

Except as set out below, there has been no change in the Registered Office of our Company since incorporation.

Effective date of change	Details of change in the address of the Registered Office	Reasons for change in the address of the Registered Office
November 6, 2017	The registered office of our Company was shifted from Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013 to Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, Kurla (West), Mumbai – 400 070.	Administrative convenience

### Scheme of Arrangement

A composite scheme of arrangement (“**Scheme**”) was entered into amongst the Company, Piramal Pharma Limited (“**PPL**”), Convergence Chemicals Private Limited (“**CCPL**”), Hemmo Pharmaceuticals Private Limited (“**HPPL**”) and PHL Fininvest Private Limited (“**PFPL**”) and their respective shareholders and creditors, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act. The Scheme was approved by our Board pursuant to its resolution dated October 7, 2021. Pursuant to an order dated August 12, 2022, passed by the National Company Law Tribunal, Mumbai bench (“**NCLT**”) the Scheme was sanctioned. The appointed date of the Scheme was April 1, 2022.

The Scheme inter alia, provided for the following:

- (a) the transfer by way of demerger of the businesses, undertakings, activities, operations and properties of the Company of whatever nature and kind and wheresoever situated, exclusively related to or pertaining to the conduct of, or the activities of the Pharma Business as a going concern including, *inter alia*, all immovable property (land together with buildings), all movable assets, all permits, licenses, permissions, right of way, approvals authorisations, clearances, consents, registrations, contracts, agreements, purchase orders, insurance policies, intellectual property, books, records, files, liabilities, employees and legal or other proceedings to PPL, the consequent issue of equity shares by PPL to the shareholders of our Company in accordance with the share entitlement ratio (for every 1 equity share of face and paid-up value of ₹ 2 each held in our Company, 4 equity shares of face and paid-up value of ₹ 10 each in PPL shall be issued by PPL). The equity shares of our Company, forming part of the Pharma Business of the Company stood cancelled and extinguished;
- (b) the amalgamation of CCPL and HPPL (both being wholly owned subsidiaries of PPL) into PPL and consequent dissolution of CCPL and HPPL without winding up and the cancellation of the equity shares of CCPL and HPPL held by PPL and its nominee shareholder; and
- (c) the amalgamation of PFPL (a wholly owned subsidiary of the Company) into the Company and consequent dissolution of PFPL without winding up and the cancellation of the equity shares of PFPL held by the Company and joint shareholders (“**FS Amalgamation**”); and

(d) various other matters consequential or integrally connected therewith

The Company, pursuant to the aforesaid Scheme, had filed an application with the Reserve Bank of India ('RBI') for obtaining registration and license to commence the business as a NBFC and our Company obtained a certificate of registration dated July 21, 2022, bearing number N-13-02432 issued by the RBI as a Systematically Important Non-Deposit taking Non-Banking Financial Company, to commence/ carry on the business of non-banking financial institution under Section 45-IA of the RBI Act, 1934.

#### **Amalgamation, acquisition, re-organisation or reconstruction undertaken by the Company in the last one year**

Our Company has not undertaken any acquisition or amalgamation, re-organisation or reconstruction in the last one year prior to the date of this Draft Shelf Prospectus.

#### **Main objects of our Company**

The main objects of our Company as contained in our Memorandum of Association are:

*“To carry on and undertake the business involving all types of financial and investment activities, including but not restricted to the business of finance, infrastructure financing, financing the development, operation and/or maintenance of infrastructure and facilities or businesses in the infrastructure sector, financing the establishment, growth and/or development of various kinds of institutions including commercial, industrial, educational and charitable institutions, industrial finance and financing of industrial enterprises, financing acquisition of bodies corporate, shares and/ or securities, real estate financing including finance for acquiring, developing, constructing, selling, renting, leasing, trading or otherwise dealing in all kinds of immovable property, and / or to carry on and undertake the business of an investment company, including without limitation, to undertake investment counselling, portfolio, management, hire purchase business, leasing business, financing of hire purchase or deferred payment or similar transaction, financing sales and maintenance of goods, articles or commodities, and to undertake activities capable of being provided by non-banking finance companies, stock brokers, merchant bankers, investment bankers, portfolio managers, trustees, agents, consultants and to provide other financial or related services, including financial and investment consultancy services and to invest and manage capital and other moneys received by the Company by way of private equity or venture capital funding or any other funds for seed capital and/or risk capital foundation, in the purchase of shares and/or other securities issued or guaranteed by any company, corporation, government, sovereign ruler, commissioners, trusts, municipal bodies, quasi government authorities and other undertaking of whatever nature and whenever constituted or carrying on business, whether in India or overseas and to hold and from time to time to sell, vary, dispose of or otherwise in any manner deal with the same and to establish, issue, float and manage any mutual funds, growth funds, investment funds, income or capital funds, taxable or tax exempt funds, provident, pension, gratuity and superannuation funds, and other funds or trusts, to act as trustees for bondholders, debenture holders and to undertake, carry on and/ or provide such related or incidental activities or services as may be necessary or expedient for the purpose of carrying on or undertaking the businesses and activities covered by this clause or which may be conveniently carried on in connection with or related to such businesses and activities.”*

#### **Key Events, Milestones and Achievements**

The table below sets forth the key events, milestones and achievements in the history of our Company and Piramal Capital Housing Finance Limited:

<b>Year</b>	<b>Particulars</b>
<b>2023</b>	<ul style="list-style-type: none"> <li>• Piramal Finance, also known as PCHFL launches a unique campaign addressing the credit needs of the underserved customers of Bharat.</li> </ul>
<b>2021</b>	<ul style="list-style-type: none"> <li>• Completed the demerger and simplified the corporate structure of our Company through the Scheme of Arrangement.</li> <li>• Received the RBI approval for the Non-Banking Financial Company license for our Company.</li> <li>• Commenced operations as a Systemically Important Non-Deposit taking Non-Banking Financial Company.</li> <li>• Completed one year of successful integration of Dewan Housing Finance Limited (“DHFL”), with our subsidiary, PCHFL</li> <li>• NCLT approves the demerger of our Company.</li> <li>• PCHFL launched ‘Piramal Innovation Lab’ in Bengaluru, to accelerate digital lending transformation and create innovative products, which meet the various finance requirements in the 'Bharat' market.</li> </ul>
<b>2020</b>	<ul style="list-style-type: none"> <li>• PCHFL expanded its offerings and entered into the consumer and used-car financing segment.</li> </ul>

Year	Particulars
	<ul style="list-style-type: none"> <li>The NCLT, Mumbai approved the merger of erstwhile PCHFL into DHFL which thereafter reverse merged into DHFL.</li> <li>Our Company announced the demerger and simplification of its corporate structure to create two separate listed entities in financial services and pharmaceuticals.</li> </ul>

## Awards

The table below sets forth the awards in the history of our Company and Piramal Capital Housing Finance Limited:

Year	Particulars
2023	<ul style="list-style-type: none"> <li>Ranked 12<sup>th</sup> in the top 20 list in the 'BW Businessworld India's Most Sustainable Companies list'.</li> <li>Piramal Group has been ranked as the 'Best Organisations for Women 2023' by the Economic Times.</li> <li>PCHFL – 'Retail' was certified as a 'Great Place to Work' by the Great Places to Work Institute, India. The certificate is valid for a period of one year from February 2023 to February 2024.</li> <li>Recognised as one of the '50 Best Firms for Data Scientists to Work For – 2023' by Analytics India Magazine.</li> </ul>
2022	<ul style="list-style-type: none"> <li>Piramal Finance* has been awarded for 'Best Business Impact through Research' at the 'Golden Key Awards 2022' by Market Research Society of India.</li> </ul>
2019	<ul style="list-style-type: none"> <li>Piramal Finance* has been ranked amongst 'Organisations with 1,000 employees or more that have met the criteria of 'Great Places to Work' certification by the 'Great Places to Work Institute, India'.</li> <li>PCHFL was awarded as the 'Best Debt Provider of the Year – Alternative' by 'Private Equity Wire Awards 2019'</li> </ul>
2018	<ul style="list-style-type: none"> <li>Piramal Finance* was awarded as the 'leading real estate project finance company of the year' by 'CREDAI, MCHI, the Golden Pillar Awards'.</li> </ul>
2017	<ul style="list-style-type: none"> <li>Piramal Finance* ranked 4<sup>th</sup> in the 'Great Mid-Size Workplaces in India's Top 10 Great Mid-size Workplaces, 2017' by the 'Great Place to Work Institute, India'.</li> </ul>

\* These awards were received in the name of 'Piramal Finance.' However, on March 31, 2018, the erstwhile Piramal Capital & Housing Finance Limited ('ePCHFL') was formed by the reverse merger of PHFL with 'Piramal Finance Limited.'

## Key terms of our Material Agreements and Material Contracts

Our Company has not entered into any material agreement or material contract other than in the ordinary course of business in the previous two years.

## Holding Company

Our Company has no holding company.

## Our Subsidiaries

As on the date of this Draft Shelf Prospectus, our Company has the following subsidiaries:

- Piramal International;
- Piramal Dutch IM Holdco B.V.;
- Piramal Capital & Housing Finance Limited (Formerly known as Dewan Housing Finance Corporation Limited);
- DHFL Advisory and Investment Private Limited;
- DHFL Holdings Limited;
- DHFL Investments Limited;
- PRL Agastya Private Limited;
- Piramal Fund Management Private Limited;
- Piramal Securities Limited;
- INDIAREIT Investment Management Co.;
- Piramal Investments Opportunities Fund;
- Piramal Technologies SA;
- Viridis Infrastructure Investment Managers Private Limited;

14. Piramal Finance Sales and Services Private Limited;
15. Piramal Consumer Products Private Limited;
16. Piramal Payment Services Limited;
17. Piramal Alternatives Trust;
18. Piramal Systems & Technologies Private Limited;
19. PEL Finhold Private Limited;
20. Piramal Alternatives Private Limited (*Formerly known as Piramal Asset Management Private Limited*);
21. Piramal Investment Advisory Services Private Limited; and
22. DHFL Changing Lives Foundation.

#### **Associate Companies**

As on the date of this Draft Shelf Prospectus, our Company has the following associate companies:

1. DHFL Ventures Trustee Company Private Limited;
2. Shriram LI Holdings Private Limited India;
3. Shriram GI Holdings Private Limited India; and
4. Shriram Investment Holdings Limited.

#### **Joint Ventures**

As on the date of this Draft Shelf Prospectus, our Company has the following joint ventures:

1. India Resurgence ARC Private Limited;
2. India Resurgence Asset Management Business Private Limited;
3. Pramerica Life Insurance Limited
4. India Resurgence Fund – Scheme 2;
5. Piramal Structured Credit Opportunities Fund; and
6. Asset Resurgence Mauritius Manager

#### **Enterprises over which control is exercised by the Company**

As on date of this Draft Shelf Prospectus, our Company does not exercise control over any of the enterprises, other than our Subsidiaries and Associate Companies.

## OUR MANAGEMENT

### ***Board of Directors***

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws.

The Articles of Association of our Company require us to have not less than three and not more than fifteen Directors. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and is governed by the Articles of Association of our Company, the relevant directions issued by the RBI, and the SEBI Listing Regulations.

As of the date of this Draft Shelf Prospectus, we have fourteen Directors on our Board of Directors, of which eight are Independent Directors including two women Directors.

**The following table sets forth details regarding the Board of Directors as on the date of this Draft Shelf Prospectus:**

Name, Designation and DIN	Age	Address	Date of Appointment	Details of other Directorships
<b>Ajay G. Piramal</b> <b>DIN:</b> 00028116 <b>Designation:</b> Chairman and Executive Director	68	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400 018.	March 7, 1988	<ul style="list-style-type: none"> <li>• Piramal Glass Private Limited</li> <li>• Allergan India Private Limited</li> <li>• Piramal Capital &amp; Housing Finance Limited (<i>Formerly known as Dewan Housing Finance Corporation Limited</i>)</li> <li>• Piramal Fund Management Private Limited</li> <li>• Pratham Education Foundation</li> <li>• PEL Management Services Private Limited</li> <li>• Kaivalya Education Foundation</li> <li>• Piramal Foundation</li> <li>• Nutan Nirmata Foundation</li> <li>• Tata Sons Private Limited</li> </ul>
<b>Swati A. Piramal</b> <b>DIN:</b> 00067125 <b>Designation:</b> Vice-Chairperson and Executive Director	67	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400 018.	November 20, 1997	<ul style="list-style-type: none"> <li>• Nestle India Limited</li> <li>• Piramal Glass Private Limited</li> <li>• Allergan India Private Limited</li> <li>• PEL Management Services Private Limited</li> <li>• Piramal Capital &amp; Housing Finance Limited (<i>Formerly known as Dewan Housing Finance Corporation Limited</i>)</li> <li>• Essilor Luxottica</li> </ul>
<b>Nandini Piramal</b> <b>DIN:</b> 00286092	42	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli,	April 1, 2009	<ul style="list-style-type: none"> <li>• Montane Ventures Private Limited</li> <li>• Piramal Water Private Limited</li> </ul>



Name, Designation and DIN	Age	Address	Date of Appointment	Details of other Directorships
<b>Designation:</b> Non-Executive, Non-Independent Director		Worli Sea Face, Mumbai 400 018.		<ul style="list-style-type: none"> <li>• The Swastik Safe Deposit and Investments Limited</li> <li>• Piramal Udgam Data Management Solutions*</li> <li>• Piramal Pharma Limited</li> </ul>
<b>Anand Piramal</b> <b>DIN:</b> 00286085 <b>Designation:</b> Non-Executive, Non-Independent Director	38	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400 018.	May 12, 2017	<ul style="list-style-type: none"> <li>• PRL Developers Private Limited</li> <li>• Piramal Capital &amp; Housing Finance Limited (<i>Formerly known as Dewan Housing Finance Corporation Limited</i>)</li> <li>• PEL Management Services Private Limited</li> <li>• Piramal Foundation for Education Leadership</li> <li>• Piramal Corporate Services Private Limited</li> <li>• Piramal Alternatives Private Limited (<i>Formerly known as Piramal Assets Management Private Limited</i>)</li> <li>• India Resurgence Asset Management Business Private Limited</li> </ul>
<b>Vijay Shah</b> <b>DIN:</b> 00021276 <b>Designation:</b> Non-Executive, Non-Independent Director	65	A-2301, 23 <sup>rd</sup> Floor, Lodha Altamount, S.K. Barodwala Road, Cumballa Hill, Mumbai – 400 026	January 1, 2012	<ul style="list-style-type: none"> <li>• PGP Glass Ceylon Plc.</li> <li>• PGP Glass USA Inc.</li> <li>• PGP Glass (UK) Limited</li> <li>• Vijasmi Consultancy Private Limited</li> <li>• PGP Glass Private Limited</li> <li>• Kinnari Foundation</li> </ul>
<b>Shikha Sanjaya Sharma</b> <b>DIN:</b> 00043265 <b>Designation:</b> Non-Executive, Non-Independent Director	64	4704, 360 West by Oberoi Realty, Near Century Bazaar, Dr. Annie Besant Road, Worli, Mumbai – 400025.	March 31, 2022	<ul style="list-style-type: none"> <li>• Tata Consumer Products Limited</li> <li>• Tech Mahindra Limited</li> <li>• Mahindra and Mahindra Limited</li> <li>• Dr. Reddy's Laboratories Limited</li> <li>• Mahindra Electric Automobile Limited</li> </ul>
<b>Subramanian Ramadorai</b> <b>DIN:</b> 00000002	78	Flat No. 1, Wyoming, Little Gibbs Road,	October 24, 2002	<ul style="list-style-type: none"> <li>• Piramal Pharma Limited</li> <li>• DSP Asset Managers Private Limited</li> </ul>

Name, Designation and DIN	Age	Address	Date of Appointment	Details of other Directorships
<b>Designation:</b> Non-Executive Independent Director		Malabar Hill, Mumbai – 400 006		<ul style="list-style-type: none"> <li>British Asian India Foundation</li> <li>Karmayogi Bharat</li> <li>Institute For Policy Research Studies</li> <li>Centre For Asian Philanthropy India</li> <li>Breach Candy Hospital Trust</li> </ul>
<b>Kunal Bahl</b> <b>DIN:</b> 01761033 <b>Designation:</b> Non-Executive Independent Director	39	House No. 1, Road No. 41, Punjabi Bagh West, Delhi-110 026	October 14, 2020	<ul style="list-style-type: none"> <li>AceVector Limited (<i>Previously known as Snapdeal Limited</i>)</li> <li>Investcorp Acquisition Corp.</li> </ul>
<b>Suhail Nathani</b> <b>DIN:</b> 01089938 <b>Designation:</b> Non-Executive Independent Director	58	801, Prabhu Kutir, 15 Altamount Road, Cumballa Hill, Mumbai – 400 026	October 14, 2020	<ul style="list-style-type: none"> <li>CIE Automotive India Limited (<i>formerly known as Mahindra CIE Automotive Limited</i>)</li> <li>Aga Khan Agency for Habitat India</li> <li>Piramal Capital &amp; Housing Finance Limited (<i>formerly known as Dewan Housing Finance Corporation Limited</i>)</li> <li>UTI Trustee Company Private Limited</li> <li>Salaam Bombay Foundation</li> <li>Progressive Electoral Trust</li> <li>East Pipes Integrated Co. for Industry</li> </ul>
<b>Anjali Bansal</b> <b>DIN:</b> 00207746 <b>Designation:</b> Non-Executive Independent Director	52	Flat no. 3202, A-Wing, Vivarea Tower, Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai – 400 011	November 19, 2020	<ul style="list-style-type: none"> <li>Nestle India Limited</li> <li>The Tata Power Company Limited</li> <li>Voltas Limited</li> <li>Tata Power Renewable Energy Limited</li> <li>Gujarat International Finance Tec-City Company Limited</li> <li>Open Network for Digital Commerce</li> </ul>
<b>Puneet Yadu Dalmia</b> <b>DIN:</b> 00022633	50	18, Golf Links, New Delhi-110 003	October 7, 2021	<ul style="list-style-type: none"> <li>International Foundation for Research and Education</li> <li>Dalmia Bharat Limited</li> </ul>

Name, Designation and DIN	Age	Address	Date of Appointment	Details of other Directorships
<b>Designation:</b> Non-Executive Independent Director				<ul style="list-style-type: none"> <li>• SRF Limited</li> <li>• Piramal Capital &amp; Housing Finance Limited (<i>Formerly known as Dewan Housing Finance Corporation Limited</i>)</li> <li>• RLJ Family Trusteeship Private Limited</li> <li>• SKLNJ Family Trustee Private Limited</li> <li>• RANDR Trustee Private Limited</li> <li>• RRJ Family Trustee Private Limited</li> <li>• Foundation for Pluralistic Research and Empowerment</li> </ul>
<b>Anita Marangoly George</b> <b>DIN:</b> 00441131 <b>Designation:</b> Non-Executive Independent Director	63	4/5 Shanti Niketan, Delhi - 110 021	February 10, 2022	<ul style="list-style-type: none"> <li>• The Indo-Canadian Business Chamber</li> <li>• CDPQ Capital Mexico</li> <li>• CDPQ Sao Paulo Consultoria Empresarial Limited</li> <li>• SURA Asset Management Medellin, Columbia</li> <li>• SEWA – Recovery and Resilience Fund</li> <li>• First Solar Inc.</li> <li>• Tata Sons Private Limited</li> </ul>
<b>Rajiv Mehrishi</b> <b>DIN:</b> 00208189 <b>Designation:</b> Non-Executive Independent Director	67	A-41, Tilak Nagar, Jawaharlal Nagar, Jaipur, Rajasthan – 302 204	May 26, 2022	<ul style="list-style-type: none"> <li>• Dabur India Limited</li> <li>• NSE IFSC Limited</li> <li>• Infomercials Analytics and Research Private Limited</li> <li>• The Tata Power Company Limited</li> <li>• Tata Power Renewable Energy Limited</li> <li>• Reliance Retail Ventures Limited</li> <li>• Jio Financial Services Limited (<i>formerly known as Reliance Strategic Investment Limited</i>)</li> </ul>
<b>Gautam Bhailal Doshi</b> <b>DIN:</b> 00004612	70	C 191, 19 <sup>th</sup> Floor, Grand Paradi August Kranti Marg, Kemps	October 31, 2022	<ul style="list-style-type: none"> <li>• Sun Pharmaceuticals Industries Limited</li> <li>• Suzlon Energy Limited</li> </ul>

Name, Designation and DIN	Age	Address	Date of Appointment	Details of other Directorships
<b>Designation:</b> Non-Executive Independent Director		Corner, Mumbai 400036		<ul style="list-style-type: none"> <li>• Piramal Capital &amp; Housing Finance Limited (<i>Formerly known as Dewan Housing Finance Corporation Limited</i>)</li> <li>• Sun Pharma Laboratories Limited</li> <li>• Capricon Realty Private Limited</li> <li>• Banda Real Estate Private Limited</li> <li>• Kudal Real Estate Private Limited</li> <li>• Connect Capital Private Limited</li> <li>• Aashni Ecommerce Private Limited</li> <li>• Sun Pharma Holdings, Mauritius</li> <li>• Sun Pharmaceutical Industries, Inc. Delaware, USA</li> <li>• Taro Pharmaceuticals U.S.A Inc.</li> </ul>

\* *Nandini Piramal is a Nominee Director in Piramal Udgam Data Management Solutions with effect from March 19, 2014.*

## Profile of Directors

**Ajay G. Piramal** is the Chairman and Executive Director of our Company. He holds a bachelor's degree in science (honours) from University of Bombay and a master's degree in management studies from Jamnalal Bajaj Institute of Management Studies, University of Bombay. He also holds an honorary doctorate in science (honoris causa) from Indian Institute of Technology, Indore and a doctorate in philosophy (D. Phil) from Amity University, Uttar Pradesh. He has also completed 'The Advanced Management Program' at Harvard Business School, USA. He is the Chairman of Piramal Enterprises Limited (PEL) whose pharmaceuticals business was vertically demerged from PEL pursuant to the order of the National Company Law Tribunal, Mumbai, dated August 12, 2022. Piramal Pharma Limited (PPL) was subsequently listed on the Stock Exchanges on October 19, 2022. He has significant experience in the pharma sector. He serves on the Harvard Business School's Board of Dean's Advisors and non-executive director of Tata Sons Private Limited. He also serves as President of Anant National University, chairman of the Pratham Education Foundation and serves on the Board of Piramal Foundation. He has been conferred with several national and international recognitions including Honorary Commander of the Order of the British Empire (CBE) in 2022; 'Deal Maker Hall of Fame' at the Mint India Investment Summit (2022); 'Business Leader of the Year' in 2018 by All India Management Association; 'Business Leader of the Year, 2018' by International Advertising Association and 'Asia Business Leader of the Year' in 2017 by CNBC.

**Swati Piramal** is the Vice - Chairperson and Executive Director of the Piramal Group. She holds a medical degree (M.B.B.S) and has passed the examination for diploma in industrial medicine from the College of Physicians and Surgeons of Bombay. She also holds a bachelor's degree in medicine and surgery from University of Mumbai, India and a master's degree in public health from the Harvard Business School. She has experience of over three decades in the pharmaceutical industry. She also confirms that she founded the Gopikrishna Piramal Memorial Hospital and have served as the First Woman President of India's Apex Chamber of Commerce (ASSOCHAM) in 90 years. She is a Director on the Board of Nestle India and Allergan India and a Board Member of Dean's Advisors to the Harvard Business School and the Harvard School of Public Health. I have been a Former Non-Executive Director on the Board of ICICI Bank, a Former Director on the Boards of SBI Capital Markets and Prudential ICICI Asset Management Company, and a Former Board Member on the Board of Life Insurance Corporation of India. She is on the board of various educational institutions including IIT Bombay, Xavier's College Mumbai, University of Pennsylvania, IITB-Monash, Harvard School of Public Health and the Harvard Business School. In addition, She has served on the Prime Minister of India's Trade Advisory Council and Scientific Advisory Council. Is a recipient of several prestigious awards and recognitions including Femina 'Beautiful Indians Corporate for Good' award (2022), FICCI Ladies Organisation (FLO) awards of excellence (2022), 'Business Leader of the Year' Award by Hello Hall of Fame Awards (2019); First Ladies Awards by the President of India (2018); 'Woman of the Year' Award for outstanding contributions to society in the Medical field by IMC Ladies' Wing (2016); LinkedIn Power Profile list for most viewed CEOs on LinkedIn, India (2015); Kelvinator Stree Shakti Women Achievers Award by Colors (2014); Padma Shri, amongst the Highest Civilian Honours presented by the President of India (2012); Elected as the member of the Harvard Board of Overseers (2012); Alumni Merit Award – the Highest Award bestowed upon a Harvard Alumni by Harvard T.H. Chan School of Public Health (2012); nominated to the Hall of Fame

– Most Powerful Women in Business by Fortune India (2011); Awarded by President of India for contributions to better Corporate Governance (2011); Global Empowerment Award – UK by Her Royal Highness, the Duchess of Kent (2011); Nominated 8 times in succession as one of the 25 Most Powerful Women in India by Business Today (2011-2003); Distinguished Industrialist Award for outstanding contributions to the Pharmaceutical Industry by Vellore Institute of Technology (2010); Rajiv Gandhi Award for Outstanding Woman Achiever by Rajiv Gandhi Foundation (2007); Awarded by Prime Minister of India for contributions in the field of Science and Technology (2006); ‘Chevalier de l’Ordre National du Merite’ (Knight of the Order of Merit) one of France’s Highest Honours for Medicine and Trade (2006); Chemtech Pharma Award for Biotech Industries (2006); Lucknow National Leadership Award by LakshmiPat Singhania-IIM, Lucknow (2006); Management Women Achiever of the Year Award by Bombay Management Association (2004-5). She was recognised as the ‘Best Woman Director’ by the Asian Centre for Corporate Governance and Sustainability.

**Nandini Piramal** is the Non-Executive, Non-Independent Director of our Company and Chairperson at Piramal Pharma Limited. She holds a bachelor’s of arts (honours) degree in philosophy, politics and economics from Hertford College, University of Oxford and a master’s degree in business administration from the Leland Stanford Junior University, USA. She heads the human resources function, the information technology function and handles the quality unit of our Company. She is also an advisor to Piramal Foundation and Piramal Sarvajal. In 2020 and 2022, she was recognized amongst ‘India’s Most Powerful Women’ by Business Today for her outstanding contribution in business and social growth and in 2014, the World Economic Forum recognized her as a ‘Young Global Leader’.

**Anand Piramal** is the Non-Executive, Non-Independent Director of the Piramal Group. He holds a bachelor’s degree in economics from the University of Pennsylvania and a master’s degree in business administration from Harvard Business School. He was the President of the Youth Wing of the 100-year-old Indian Merchant Chambers. He also founded a rural healthcare start-up called ‘Piramal eSwasthya’ which is one of India’s largest private primary healthcare initiative. He was conferred with the Hurun Real Estate Unicorn of the Year Award (2017) by Hurun India and Young Business Leader Award by Hello! Magazine (2018)

**Vijay Shah** is a Non-Executive, Non-Independent Director at Piramal Enterprises Limited and Vice Chairman at PGP Glass Private Limited. (*formerly, Piramal Glass Private Limited*). He holds a bachelor’s a bachelors’ degree in commerce from the University of Bombay and holds a certificate of practice from the Institute of Chartered Accountants of India and has completed an advanced management program from the Harvard Business School, Boston, USA. .

**Shikha Sanjaya Sharma** is the Non-Executive, Non-Independent Director of our Company. She holds a bachelors’ of arts (Hons.) in economics, post graduate diploma in software technology and post graduate diploma in management from IIM, Ahmedabad. She has rich experience in banking & insurance. She began her career with ICICI Bank in 1980. She has been the MD and CEO of ICICI Personal Financial, the Managing Director and CEO of ICICI Prudential Life Insurance Company and Managing Director and CEO of Axis Bank. She has won many awards, including Outstanding Businesswoman of the year-CNBC TV18, AIMA JRD TATA Corporate Leadership, Banker of the Year – Business Standard and has been recognized Top 20 Women in Finance-by-Finance Asia and 50 most powerful women in business by Fortune. She is on the board of directors of public listed companies’ viz. Tata Consumer Products Limited, Tech Mahindra Limited, Mahindra & Mahindra Limited, Dr. Reddy’s Laboratories Limited and Piramal Enterprises Limited. She is also an advisor/consultant to Piramal Enterprises Limited, Google India Digital Services Private Limited, Billionbrains Garage Ventures Private Limited, Bahaar Foundation – a unit of Akshati Charitable Trust and a member of the Board of Governors of IIM, Lucknow.

**Subramanian Ramadorai** is the Non-Executive, Independent Director of the Company. He holds a bachelor’s degree in science (physics- honours) from University of Delhi, India and a bachelor’s degree in electrical communication engineering from the India Institute of Science, Bangalore, India. He was admitted into University of California, Los Angeles, USA in the masters of science program and has completed the ‘program for senior executives’ from Sloan School of Management, Massachusetts Institute of Technology, USA. Previously, he was appointed as an advisor to the Prime Minister on the Prime Minister’s National Skill Development Council and as the chairman of National Skill Development Corporation, the chairman of National Skill Development Agency (which subsumed the National Council on Skill Development), a public interest director and chairman on the board of Bombay Stock Exchange and was nominated as the nominee of Sir Dorabji Tata Trust on the governing council of National Institute of Advances Studies, Bengaluru. He is currently the chairman of the governing board of Kalakshetra Foundation, the chairperson and non-executive director on the board of Karmayogi Bharat, and the chairman of Public Health Foundation of India’s executive committee. He was awarded the Padma Bhushan (India’s third highest civilian honour) in 2006. Further, he was conferred with the ‘Honorary Commander of the Order of the British Empire’ by Queen Elizabeth II.

**Kunal Bahl** is the Non-Executive, Independent Director of the Company. He is an engineer from the University of Pennsylvania, with a business degree from the Wharton School. at the University of Pennsylvania. He was associated with Jerome Fisher Management and Technology Program. He is the co-founder of the e-commerce company, Snapdeal and Titan Capital. He is the current Chairman for the CII Startup Council and also a part of the National Startup Advisory Council. He was a member of the NASSCOM Executive Committee and am a past Chairman of the CII National E-commerce Committee. He was named the Economic Times Entrepreneur of the Year 2015 and featured in the Fortune Global 40 under 40 list in 2014

**Suhail Nathani** is the Non-Executive, Independent Director of our Company. He holds a bachelors' of arts degree from the University of Cambridge, England and also hold a masters' degree in law from Duke University. He is the managing partner at Economic Laws Practice (ELP). He has over 3 decades of experience as a lawyer. He has appeared for the Government of India before the WTO Panel and Appellate Body in Geneva, have represented the Competition Commission of India and the Securities and Exchange Board of India at the Supreme Court. He chairs the National Council on WTO Trade & Investment, at ASSOCHAM, and the Legal Counsel at the Indian Merchants Chamber and is a member of the CII National Committee on Legal Services.

**Anjali Bansal** is the Non-Executive, Independent Director of our Company. She holds a bachelors' degree in computer engineering from Gujarat University and a masters' degree in international affairs from University of Columbia. She is the founder and chairperson of Avaana Capital. Previously, she has been the Non-Executive Chairperson of Dena Bank, appointed by the Government of India to steer the resolution of the stressed bank, eventually leading to a merger with the Bank of Baroda. Prior to that, she was a Global Partner and Managing Director with TPG Growth PE, responsible for India, SE Asia, Africa and the Middle East. She started her career as a strategy consultant with McKinsey and Co. in New York. She also serves as an independent director on several leading boards including Tata Power and Nestle. She has previously chaired the India board of Women's World Banking, a leading global livelihood promoting institution, and served as a board member at GSK Pharma, Siemens and Bata. She is a member of the Niti Aayog Review Committee, India's premier policy think tank chaired by the Hon'ble Prime Minister. She is also on the Advisory Council for the Open Network for Digital Commerce (ONDC), the world's first open access infrastructure for digital commerce, the Managing Committee of the Indian Venture Capital Association (IvCA) and have been appointed as president of the Bombay Chamber of Commerce and Industry. She is on the Expert Advisory Committee of the Start Up India Seed Fund Scheme and is closely associated with NITI Aayog Women Entrepreneurship Platform and Atal Innovation Mission. She is a member of the Young Presidents' Organization and a Charter Member of TIE. She has been listed as one of the "Most Powerful Women in Indian Business" by India's leading publications, Business Today, and by Fortune India.

**Puneet Dalmia** is the Non-Executive, Independent Director of our Company. He holds a bachelors in technology degree from IIT-Delhi and is a gold-medallist masters' in business administration from IIM-Bangalore. and holds a post graduate diploma in management from the Indian Institute of Management, Bangalore He is the Managing Director of the Dalmia Bharat Group. Prior to leading Dalmia Bharat Group, Mr. Dalmia co-founded JobsAhead. Com in 1999. Amongst various other accolades, He has been recognised as the EY Entrepreneur of the Year 2017 in the manufacturing category. He has served as an Advisory Board Member of NS Raghavan Center for Entrepreneurship, IIM-Bangalore and the Young Presidents' Organization, Delhi Chapter. In 2021, Mr. Dalmia has also been appointed by the Government of India as Chairman of the Development Council for the Cement Industry. In 2022, he was chosen as as the Best CEO in the Cement Category by Business Today magazine. He has a keen interest in education and serves as a Founder and Trustee of the Ashoka University and serve as a Chairperson on the Board of Governors of Indian Institute of Management, Raipur.

**Anita Marangoly George** is the Non-Executive, Independent Director of our Company. She holds a masters' of arts degree in Economics and a master of business administration in finance from Boston University, and a bachelor of arts in economics with a minor in Spanish from Smith College. She has over three decades of experience in the financial sector. She started her career at World Bank based in Washington DC and worked on infrastructure in Latin America, Eastern and Central Europe. Prior to her association with our Company, she was associated with Siemens AG to set up Siemens Financial Services in India. She played key leadership roles at the International Finance Corporation (IFC) in the sectors of infrastructure, natural resources, municipal finance and in the creation of IFC's Venture group. She was Senior Director for Energy for the World Bank Group. In 2016, she was the Executive Vice President and Head of Emerging Markets at CDPQ. Her final post at CDPQ was Executive Vice President and Deputy Head of CDPQ Global covering all geographies outside of Canada and supporting investments in renewable energy, highways, telecom, and tech investments in Emerging Markets.

**Rajiv Mehrishi** is the Non-Executive, Independent Director of our Company. He holds a bachelors' degree (honours) and a masters' in arts (history) degree from St. Stephen's College, Delhi and a masters' of business administration (MBA) from the University of Strathclyde, Glasgow, Scotland. He is a retired Indian Administrative Service (IAS) officer belonging to the Rajasthan Cadre. He has an experience of over 42 years. Prior to his association with our Company, he was the Joint Secretary, Department of Company Affairs, Principal Secretary Finance, and the Chief Secretary in Rajasthan and was involved in the enactment of the Competition Act, redrafting of the Companies Act, 1956, redrafting of the transport taxation laws and the rules for the Narcotics and Psychotropic Substances Act, 1984. He was also involved in the important reforms of setting up the Monetary Policy Committee (MPC) and the enactment of the Indian Bankruptcy Code (IBC). Thereafter, he held the position of Union Home Secretary in the Central Government and the 13<sup>th</sup> Comptroller and Auditor General of India (C&AG). In 2022, he was awarded with the Padma Bhushan, by the President of India.

**Gautam Bhailal Doshi** is the Non-Executive, Independent Director of our Company. He holds a masters' degree in commerce from University of Bombay. He is a chartered accountant and has been in professional practice for a period of over 45 years. Prior to his association with our Company, he was associated with the Councils of Western Region. He was also associated as the chairman of committees on direct and indirect taxation of Indian Merchants' Chamber

## Relationship between our Directors

Ajay G. Piramal and Swati Piramal are spouses and parents of Nandini Piramal and Anand Piramal, who are siblings. Except for this, none of the other Directors of the Company are inter-se related to each other.

## Terms of employment of our Directors

### Terms of employment of the Executive Directors

Our Board had at their meeting held on March 31, 2022, approved the re-appointment of Ajay G. Piramal as the Chairman and Executive Director of our Company, basis the recommendation of the Nomination and Remuneration Committee, subject to the terms and conditions as set out in the board resolution dated March 31, 2022 and shareholders resolution dated May 5, 2022. Pursuant to the aforementioned board and shareholders resolution, Ajay G. Piramal has been re-appointed for a period of five years with effect from April 1, 2022 to March 31, 2027.

Pursuant to the board and shareholders resolution dated March 31, 2022 and May 5, 2022, respectively, and an agreement dated May 10, 2022 entered into between Ajay G. Piramal with our Company setting out the terms or remuneration are set out below:

Particulars	Description
Basic salary	₹ 5.28 crores per annum (“ <b>Basic Salary</b> ”)
Perquisites, benefits and allowances	<ul style="list-style-type: none"> <li>- furnished residential accommodation (or house rent allowance in lieu thereof);</li> <li>- special allowance;</li> <li>- reimbursement of expenses in respect of gas, electricity and water;</li> <li>- reimbursement of telephone expenses, furnishing and repairs;</li> <li>- medical reimbursement for self and family;</li> <li>- leave travel allowance;</li> <li>- personal accident insurance;</li> <li>- leave and encashment of leave;</li> <li>- contributions to provident fund and superannuation or annuity fund;</li> <li>- gratuity and/or contribution to gratuity fund;</li> <li>- chauffeur driven Company maintained / leased cars (or allowances in lieu thereof); and</li> <li>- such other payments in the nature of perquisites, benefits and allowances as per Company policy in force from time to time or as may otherwise be decided by the Board.</li> </ul> <p>In arriving at the value of perquisites, in so far as there exists a provision for valuation of such perquisites under the Income Tax Rules, the value shall be determined on the basis of the Income Tax Rules in force from time to time.</p>
Total fixed pay	<p>The Total fixed pay (“<b>Total Fixed Pay</b>”) is the aggregate of and shall include:</p> <ul style="list-style-type: none"> <li>- all fixed components, (including Basic Salary) of his remuneration;</li> <li>- all allowances; and</li> <li>- the value of all perquisites as per Company Policy in force from time to time, excluding the amount payable as a performance linked incentive.</li> </ul> <p>The Total Fixed Pay for the financial year 2022-2023 shall not exceed ₹ 9.78 crores per annum. The Board has the authority to grant annual increments and/or revisions in the Total Fixed Pay and/or the components thereof from time to time during the tenure of his appointment, subject to the applicable provisions of Schedule V of the Companies Act, 2013 as may be amended from time to time.</p> <p>The annual increments and/or revisions shall not exceed 20% per annum of his last drawn Total Fixed Pay or such other amount as may be approved by the Board from time to time.</p>
Performance linked incentive	<p>In addition to the Total Fixed Pay, he is also entitled to a performance linked incentive (“<b>Performance Linked Incentive</b>”) of such amount as may be determined by the Board for each financial year of the Company or part thereof, subject to the applicable provisions of Schedule V of the Companies Act, 2013 taking into consideration various criteria, including his performance and the performance of the Company.</p> <p>The total Performance Linked Incentive shall not exceed 50% per annum of the last drawn Total Fixed Pay or such other amount as may be approved by the Board from time to time.</p>

Our Board had at their meeting held on March 31, 2022 approved the re-appointment of Swati Piramal as the Vice - Chairperson and Executive Director of our Company, basis recommendation of the Nomination and Remuneration Committee, subject to the terms and conditions as set out in the board resolution dated March 31, 2022 and shareholders resolution dated May 5, 2022. Pursuant to the aforementioned board and shareholders resolution, Swati Piramal has been appointed for a period of five years with effect from November 20, 2022 to November 19, 2027, liable to retire by rotation.

Pursuant to the board and shareholders resolution dated March 31, 2022 and May 5, 2022, respectively, and an agreement dated May 10, 2022 entered into between Swati Piramal with our Company setting out the terms of remuneration are set out below:

Particulars	Description
Basic Salary	₹ 3.58 crores per annum (“ <b>Basic Salary</b> ”)
Perquisites, benefits and allowances	<ul style="list-style-type: none"> <li>- furnished residential accommodation (or house rent allowance in lieu thereof);</li> <li>- special allowance;</li> <li>- reimbursement of expenses in respect of gas, electricity and water;</li> <li>- reimbursement of telephone expenses, furnishing and repairs;</li> <li>- medical reimbursement for self and family;</li> <li>- leave travel allowance;</li> <li>- personal accident insurance;</li> <li>- leave and encashment of leave;</li> <li>- contributions to provident fund and superannuation or annuity fund;</li> <li>- gratuity and/or contribution to gratuity fund;</li> <li>- chauffeur driven Company maintained / leased cars (or allowances in lieu thereof); and</li> <li>- such other payments in the nature of perquisites, benefits and allowances as per Company policy in force from time to time or as may otherwise be decided by the Board.</li> </ul> <p>In arriving at the value of perquisites, in so far as there exists a provision for valuation of such perquisites under the Income Tax Rules, the value shall be determined on the basis of the Income Tax Rules in force from time to time.</p>
Total fixed pay	<p>The Total fixed pay (“<b>Total Fixed Pay</b>”) is the aggregate of and shall include:</p> <ul style="list-style-type: none"> <li>- all fixed components, (including Basic Salary) of her remuneration;</li> <li>- all allowances; and</li> <li>- the value of all perquisites as per Company Policy in force from time to time, excluding the amount payable as a performance linked incentive.</li> </ul> <p>The Total Fixed Pay for the financial year 2022-23 shall not exceed ₹ 4.71 crores per annum. The Board has the authority to grant annual increments and/or revisions in the Total Fixed Pay and/or the components thereof from time to time during the tenure of her appointment, subject to the applicable provisions of Schedule V of the Companies Act, 2013 as may be amended from time to time.</p> <p>The annual increments and/or revisions shall not exceed 20% per annum of his last drawn Total Fixed Pay or such other amount as may be approved by the Board from time to time.</p>
Performance linked incentive	<p>In addition to the Total Fixed Pay, she is also entitled to a performance linked incentive (“<b>Performance Linked Incentive</b>”) of such amount as may be determined by the Board for each financial year of the Company or part thereof, subject to the applicable provisions of Schedule V of the Companies Act, 2013 taking into consideration various criteria, including his performance and the performance of the Company.</p> <p>The total Performance Linked Incentive shall not exceed 50% per annum of the last drawn Total Fixed Pay or such other amount as may be approved by the Board from time to time.</p>

The following table sets forth the remuneration paid by our Company to the Executive Directors of our Company for Fiscals 2021, 2022 and 2023 and for the period from April 1, 2023 till date:

Name of Directors	Period			
	From April 1, 2023 – till the date of this Draft Shelf Prospectus (in ₹)	Fiscal 2023 (in ₹)	Fiscal 2022 (in ₹)	Fiscal 2021 (in ₹)
Ajay G. Piramal	36,666,668	Nil*	1,27,615,574	57,547,651
Swati A. Piramal	18,333,328	Nil*	59,281,730	26,204,980

\*Considering the macroeconomic scenario and business performance, Ajay G. Piramal, and Swati A. Piramal decided to forego the remuneration for the Fiscal ended March 31, 2023. Ajay G. Piramal and Swati A. Piramal received ₹2,86,41,206 and ₹1,38,84,847 respectively, as performance linked incentives for the Fiscal 2022, which were paid during Fiscal 2023.



## Remuneration of the Non-Executive and Independent Directors

Pursuant, to a resolution passed by our Board, at their meeting held on July 25, 2014 approved payment of sitting fees of ₹ 100,000 per meeting to the Non-Executive Directors of our Company for attending meetings of the Board, the Audit Committee and the Sustainability and Risk Management Committee, each, and sitting fees of ₹ 50,000 per meeting to Non-Executive Directors for attending meetings of the Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee pursuant to a circular resolution dated October 31, 2022 approved payment of sitting fees of ₹ 50,000 per meeting to the Non-Executive Directors of our Company for attending meetings of the Sustainability and Risk Management Committee, IT Strategy Committee, and Financial Services Approval Committee.

The following Non-Executive Directors of the Company do not receive any sitting fees or any other remuneration from the Company:

- Nandini Piramal, Anand Piramal and Vijay Shah, Non-Executive Directors of the Company did not receive any sitting fees or any other remuneration for Fiscal 2023.
- Anand Piramal and Vijay Shah, Non-Executive Directors of the Company did not receive any sitting fees or any other remuneration for Fiscal 2022 and 2021.

In accordance with the special resolution passed by the shareholders dated July 16, 2021, the Non-Executive Directors (including Independent Directors) are entitled to, as commission, in case of no profits or inadequate profits, an aggregate sum in accordance with the limits prescribed under Schedule V of the Companies Act, 2013 or an aggregate sum not exceeding ₹ 10 crores, whichever is higher. The aggregate amount would be paid and distributed amongst the Non-Executive Directors (including Independent Directors) of the Company as may be directed by the Board at the end of each financial year for a period of three years commencing from the financial year ended March 31, 2021.

The details of remuneration paid to the Non-Executive Directors of the Company during the current financial year and the last three financial years are as hereunder:

Name of Directors	Period			
	From April 1, 2023 – till the date of this Draft Shelf Prospectus (in ₹)	Fiscal 2023 (in ₹)	Fiscal 2022 (in ₹)	Fiscal 2021 (in ₹)
Anand Piramal	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Vijay Shah	Not Applicable	Not Applicable	Not Applicable	1,31,50,000*
Shikha Sanjaya Sharma	40,50,000	9,00,000	Not Applicable	Not Applicable
Nandini Piramal	Not Applicable	Not Applicable	1,08,67,349**	2,11,96,973**

\*Vijay Shah stepped down from the position of a Whole Time Director of the Company and continues to be a Non-Executive Director with effect from May 11, 2020. His remuneration includes the amount paid to him in the capacity as a Whole Time Director for Fiscal 2021.

\*\*Nandini Piramal stepped down from the position of a Whole Time Director of the Company and continues to be a Non-Executive Director with effect from August 26, 2022. Her remuneration includes the amount paid to her in the capacity as a Whole Time Director for Fiscal 2022.

The following table sets forth the sitting fees and commission paid by our Company to the present Independent Directors of our Company, during the current financial year and the last three financial years are as hereunder:

Name of Directors	Period			
	From April 1, 2023 – till the date of this Draft Shelf Prospectus (in ₹)	Fiscal 2023 (in ₹)	Fiscal 2022 (in ₹)	Fiscal 2021 (in ₹)
Subramanian Ramadorai	41,00,000	49,50,000	48,00,000	14,00,000
Kunal Bahl	41,00,000	45,00,000	26,00,000	5,00,000
Suhail Nathani	38,50,000	50,00,000	33,00,000	9,00,000
Anjali Bansal	40,50,000	47,00,000	26,00,000	4,00,000
Puneet Yadu Dalmia	41,50,000	26,50,000	3,00,000	Not Applicable
Anita Marangoly George	39,50,000	12,50,000	3,00,000	Not Applicable
Gautam Bhailal Doshi	21,00,000	9,50,000	Not Applicable	Not Applicable
Rajiv Mehrishi	38,00,000	11,00,000	Not Applicable	Not Applicable

## Remuneration payable or paid to Directors by Subsidiaries and Associate companies of our Company

The following table sets forth the remuneration (including sitting fees, commission and perquisites) paid by our Subsidiaries and our Associate Companies from Financial Year 2021 to the date of this Draft Shelf Prospectus to our Directors.

### *Piramal Capital and Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)*

Name of Director	Type of Remuneration Received/ Payable	Amount (in ₹)
<b>Financial Year 2021</b>		
Gautam Bhailal Doshi	Sitting fees for attending Board/Committee meetings	3,50,000
Suhail Nathani		5,00,000
<b>Financial Year 2022 (from April 1, 2021 to September 30, 2021)</b>		
Gautam Bhailal Doshi	Sitting Fees for attending Board/Committee Meetings	3,50,000
Suhail Nathani		6,50,000
<b>Financial Year 2022 (from October 1, 2021 to March 31, 2022)</b>		
Gautam Bhailal Doshi	Sitting fees for attending Board/Committee meetings	6,50,000
Suhail Nathani		7,00,000
Puneet Yadu Dalmia*		Nil
<b>Financial Year 2023</b>		
Gautam Bhailal Doshi	Sitting fees for attending Board/Committee meetings	9,00,000
Suhail Nathani		11,50,000
Puneet Yadu Dalmia*		3,50,000
<b>From April 1, 2023 till the date of filing of this Draft Shelf Prospectus</b>		
Gautam Doshi	Sitting fees for attending Board/Committee meetings	3,00,000
Suhail Nathani		3,50,000
Puneet Yadu Dalmia*		1,50,000

\*Appointed with effect from March 31, 2022

### Other confirmations

No Director in our Company, is identified as wilful defaulter by any bank or financial institutions or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India or any other governmental authority and the names of our Directors do not appear in any intermediary caution list or list of shell companies or vanishing companies..

No Director in our Company is, or was, a director of any listed company, which has been or was compulsorily delisted from any recognised stock exchange within a period of ten years preceding the date of this Draft Shelf Prospectus, in accordance with Chapter V of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard are pending against any of our Directors.

None of our Directors have been identified as a 'Wilful Defaulter', as defined under SEBI NCS Regulations.

None of our Directors is restrained or prohibited or debarred by the Board from accessing the securities market or dealing in securities in any other manner by SEBI. Further, none of our Directors are a promoter or director of another company which is debarred from accessing the securities market or dealing in securities in any other manner by SEBI.

None of our Directors are in default of payment of interest or repayment of principal amount, in respect of debt securities issued to the public, for a period of more than six months.

None of the Directors of our Company is a fugitive economic offender, as defined in the SEBI NCS Regulations.

The permanent account number of the Directors has been submitted to the Stock Exchanges at the time of filing of this Draft Shelf Prospectus.

Other than Ajay G. Piramal, who is the Promoter of our Company, none of our Directors have any interest in the promotion of our Company.

### Borrowing powers of our Board of Directors

At the meeting of our Board of Directors held on May 5, 2023, they approved the issuance of NCDs in one or more tranches. Pursuant to the shareholders resolution passed at the Annual General Meeting held on August 1, 2016, our Board of Directors

have been authorised to borrow any sum or sums of monies, which together with the monies already borrowed (apart from temporary loans obtained or to be obtained in the ordinary course of business), in excess of our Company's aggregate paid-up capital, free reserves and securities premium reserve of our Company, up to a limit of an outstanding aggregate value of ₹ 44,000 crores over and above the aggregate of the paid-up share capital of our Company and its free reserves as prevailing from time to time, exclusive of interest and other charges.

Further, pursuant to the scheme of arrangement by which PHL Fininvest Private Limited was amalgamated with our Company, and the borrowing limit of our Company in terms of Section 180(1)(c) of the Companies Act, 2013 was deemed increased without any further act, thereby increasing the borrowing limit to ₹ 46,100.75 crores.

### **Interest of our Directors**

All our Directors, including Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses payable to them pursuant to our Articles of Association. In addition, save for our Independent Directors, our Directors would be deemed to be interested to the extent of interest receivable on loans advanced by the Directors, rent received from the Company for lease of immovable properties owned by Directors, rent received from the Company for lease of immovable properties owned by partnership firms in which Directors are partners and to the extent of remuneration paid to them for services rendered as officers of the Company. Our Non-Executive, Non-Independent Director, Shikha Sanjaya Sharma was paid fees of the amount of ₹ 1.80 crores for her services as a senior advisor to the Company in Fiscal 2023.

Our Directors may also be deemed to be interested to the extent of Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, excluding Independent Directors, may also be regarded as interested in the Equity Shares, if any, held by the companies, firms and trusts, in which they are interested as directors, members, partners or trustees and promoter.

Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees. For details, refer to section titled "*Financial Statements*" beginning on page 384 of this Draft Shelf Prospectus.

Except as disclosed hereinabove and the section titled "*Risk Factors*" and section titled "*Material Developments*" on page 20 and page 208 of this Draft Shelf Prospectus, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by the Company.

Except as stated in section titled "*Financial Statements*" on page 384 of this Draft Shelf Prospectus, and to the extent of compensation and commission if any, and their shareholding in the Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by the Company in the preceding two years of filing of this Draft Shelf Prospectus with the Designated Stock Exchange nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to the Company.

No benefit/interest will accrue to our Promoter/Directors out of the objects of the Issue.

Our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

Except as otherwise stated in "*Related Party Transactions*" on page 209 Draft Shelf Prospectus and statutory registers maintained by the Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Shelf Prospectus in which the Directors are interested directly or indirectly and no payments have been made to the Directors in respect of these contracts, agreements or arrangements which are proposed to be made with them, except as disclosed in the chapter "*Our Promoter*" on page 187 and except as stated in "*Related Party Transactions*" on page 209, to the extent of compensation and commission if any, and their shareholding in the Company, the Directors do not have any other interest in the business of the Company.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

Except as stated in “*Related Party Transactions*” on page 209, our Directors have not taken or given any loans or advances from and to our Company. **Shareholding of our Directors in our Company**

Except as disclosed in “*Capital Structure - Details of the Directors’ shareholding in our Company, as on June 30, 2023*” on page 82, no other Directors hold any Equity Shares in our Company as on June 30, 2023.

**Shareholdings of Directors in Subsidiaries and Associate companies, including details of qualification of shares held by Directors as on the date of Draft Shelf Prospectus**

Except as disclosed in “*Capital Structure - Details of shareholding of Directors in subsidiaries and associates as of the date of this Draft Shelf Prospectus*” on page 83, no other Directors hold any Equity Shares in our Subsidiaries and Associates, as on the date of this Draft Shelf Prospectus.

**Debentures/Subordinated Debt holding of our Directors**

As on the date of this Draft Shelf Prospectus, none of our Directors hold debentures or subordinated debt issued by our Company.

**Changes in our Directors during the last three financial years and the current financial year**

The changes in the Board of Directors in the three years preceding the date of this Draft Shelf Prospectus and current year are as following:

Name, Designation and DIN	Date of Appointment/re-appointment/change in designation	Date if Cessation, if applicable	Date of Resignation, if applicable	Remarks
Vijay Shah <b>Designation:</b> Non-Executive, Non Independent Director <b>DIN:</b> 00021276	May 11, 2020	-	-	Change in designation from Executive Director to Non-Executive, Non Independent Director
Kunal Bahl <b>Designation:</b> Non-Executive, Independent Director <b>DIN:</b> 01761033	October 14, 2020	-	-	Appointment
Suhail Nathani <b>Designation:</b> Non-Executive, Independent Director <b>DIN:</b> 01089938	October 14, 2020	-	-	Appointment
Anjali Bansal <b>Designation:</b> Non-Executive, Independent Director <b>DIN:</b> 00207746	November 19, 2020	-	-	Appointment
Puneet Yadu Dalmia <b>Designation:</b> Non-Executive, Independent Director <b>DIN:</b> 00022633	October 7, 2021	-	-	Appointment
Anita Marangoly George <b>Designation:</b> Non-Executive, Independent Director <b>DIN:</b> 00441131	February 10, 2022	-	-	Appointment
Shikha Sanjaya Sharma <b>Designation:</b> Non-Executive, Non Independent Director <b>DIN:</b> 00043265	March 31, 2022	-	-	Appointment
Rajiv Mehrishi <b>Designation:</b> Non-Executive, Independent Director <b>DIN:</b> 00208189	May 26, 2022	-	-	Appointment
Nandini A. Piramal <b>Designation:</b> Non-Executive, Non Independent Director	August 26, 2022	-	-	Change in designation from Executive Director to Non-

Name, Designation and DIN	Date of Appointment/re-appointment/change in designation	Date if Cessation, if applicable	Date of Resignation, if applicable	Remarks
DIN: 00286092				Executive, Non Independent Director
Khushru Burjor Jijina Designation: Executive Director DIN: 00209953	April 1, 2021	-	August 31, 2022	Resignation
Gautam Bhailal Doshi Designation: Non-Executive, Independent Director DIN: 00004612	October 31, 2022	-	-	Appointment
Arundhati Bhattacharya Designation: Non-Executive, Independent Director DIN: 02011213	-	-	April 16, 2020	Resignation
Rajesh Ratanlal Laddha Designation: Executive Director DIN: 02228042	-	-	February 10, 2022	Resignation
Keki Dadiseth Designation: Non-Executive, Independent Director DIN: 00052165	-	-	October 28, 2020	Resignation
R.A. Mashelkar Designation: Non-Executive, Independent Director DIN: 00074119	-	-	October 28, 2020	Resignation
Goverdhan Mehta Designation: Non-Executive, Independent Director DIN: 00350615	-	-	October 28, 2020	Resignation
Deepak Satwalekar Designation: Non-Executive, Independent Director DIN: 00009627	-	-	July 26, 2021	Resignation
Gautam Banerjee Designation: Non-Executive, Independent Director DIN: 03031655	-	-	March 31, 2022	Resignation
Narayanan Vaghul Designation: Non-Executive, Independent Director DIN: 00002014	-	-	November 9, 2022	Resignation

#### Appointment of any relatives of Directors to an Office or place of profit

Except as mentioned under “*Management - Relationship between our Directors*” on page 171, none of our Directors’ relatives have been appointed to an office or place of profit of our Company, its Subsidiaries or Associate Companies.

#### Key Managerial Personnel of our Company

Provided below are the details of the Key Managerial Personnel of our Company, other than Ajay Piramal, our Chairman and Executive Director and Swati Piramal, Vice-Chairperson and Executive Director, as of the date of this Draft Shelf Prospectus:

Sr. No.	Name	Designation
1.	Upma Goel	Chief Financial Officer
2.	Bipin Singh	Company Secretary and Compliance Officer

## Relationship with other Key Managerial Personnel

Ajay G. Piramal and Swati Piramal are spouses. Except for this, none of our Key Managerial Personnel are related to each other.

## Interests of Key Managerial Personnel

None of our Key Managerial Personnel are interested in the Company, except to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them; . to the extent of the Equity Shares held by them or their dependents in our Company, if any; or any stock options held by them; and any dividend payable to them and other distributions in respect of such Equity Shares.

As on the date of this Draft Shelf Prospectus, all of the Key Managerial Personnel of our Company are the permanent employees of our Company.

Our Directors, Key Managerial Personnel or Senior Management have no financial or other material interest in the Issue.

## Shareholding of our Company's Key Managerial Personnel

Except as disclosed in the section titled "*Capital Structure - Details of the Directors' shareholding in our Company, as on June 30, 2023*" on page 82, none of our Key Managerial Personnel hold any Equity Shares as on the date of this Draft Shelf Prospectus.

## Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three financial years and the current year, please see "*Related Party Transactions*" on page 209.

## Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. Our Company has in place processes and systems whereby it complies with the requirements to the corporate governance provided in SEBI Listing Regulations and the applicable RBI Guidelines. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law. In compliance with the requirements of the SEBI Listing Regulations, our Board consists of eight Independent Directors, which includes two women directors. Our Company is in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the RBI Regulations, in respect of corporate governance, including constitution of our Board and committees thereof.

## Committees of the Board of Directors

Our Board has constituted the following Committees:

These are:

- a. Audit Committee
- b. Sustainability and Risk Management Committee
- c. Nomination and Remuneration Committee
- d. Stakeholders Relationship Committee
- e. Corporate Social Responsibility Committee
- f. Information Technology Strategy Committee ("**IT Committee**")
- g. Financial Services Approval Committee; and
- h. Asset Liability Committee

### *Audit Committee*

The Audit Committee was last reconstituted vide a board resolution passed by the Board on October 31, 2022. As on the date of this Draft Shelf Prospectus, it comprises of:

Name	Designation	Nature of Directorship
Rajiv Mehrishi	Chairman	Independent Director
Gautam Bhailal Doshi	Member	Independent Director
Puneet Dalmia	Member	Independent Director

The scope of the Audit Committee includes the references made under Regulation 18 read with part C of Schedule II of SEBI Listing Regulations as well as Section 177 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board of Directors. The broad terms of reference of the Audit Committee are:

1. oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
5. reviewing with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
21. to consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders;
22. to review the management discussion and analysis of financial condition and results of operations;
23. to review management letters / letters of internal control weaknesses issued by the statutory auditors;
24. to review internal audit reports relating to internal control weaknesses;
25. to review the appointment, removal and terms of remuneration of the head of the internal auditor;
26. to review statement of deviations of quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ('Listing Regulations');
27. to review statement of deviations of annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations;
28. to examine financial statement and the auditors' report thereon;
29. to review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively;
30. primarily responsible for overseeing the internal audit function in the organization.
31. to review the performance of Risk Based Internal Audit (RBIA);
32. to approve the RBIA plan to determine the priorities of the internal audit function based on the level and direction of risk, as consistent with the entity's goals;
33. to formulate and maintain a quality assurance and improvement program that covers all aspects of the internal audit function;
34. to promote the use of new audit tools/ new technologies for reducing the extent of manual monitoring /transaction testing / compliance monitoring, etc.;
35. meet the head of internal audit at least once in a quarter, without the presence of the Senior Management (including the MD & CEO/WTD);
36. review and monitoring of all the frauds involving an amount of Rs. 1 crores and above;
37. ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the applicable NBFCs;
38. to ensure that an appropriate Compliance Policy is in place in the Company and to oversee the management of compliance risk and implementation of the Compliance Policy across the Company;
39. to review the reports received from the Chief Compliance Officer on compliance risk management activities;
40. to review the Compliance Policy annually;
41. to review and approve any adjustments to the ECL model output (i.e. a management overlay);
42. monitoring of system of internal audit of all outsourced activities; and
43. undertake such other functions as may be entrusted to it by the Board or prescribed under applicable statutory / regulatory requirements from time to time;



### ***Sustainability and Risk Management Committee***

The Sustainability and Risk Management Committee (“SRM”) was constituted as the Risk Management Committee vide a resolution passed by the Board on October 31, 2022 and was re-constituted as Sustainability and Risk Management Committee vide a resolution passed by the Board on May 5, 2023 through which the role of the SRM was widened to cover environment, social and governance (“ESG”) functions. The SRM is the highest authority responsible for the implementation and oversight of The ESG policy and responsible for the ESG transformation of the Company. As on the date of this Draft Shelf Prospectus, it comprises of:

<b>Name</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Shikha Sanjaya Sharma	Chairperson	Non-Executive, Non-Independent Director
Anita Marangoly George	Member	Independent Director
Gautam Bhailal Doshi	Member	Independent Director

The scope of the Sustainability and Risk Management Committee includes the references made under Regulation 21 of SEBI Listing Regulations as well as RBI Scale Based Regulation: Regulatory framework for NBFCs, as amended from time to time besides the other terms that may be referred by the Board of Directors. The broad terms of reference of the Audit Committee are:

1. to identify, monitor and measure the risk profile of the Company.
2. To evaluate overall risks faced by the Company and determining the level of risks which will be in the best interest of the Company To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems during normal as well as stress scenarios;
3. to ensure that Company has a framework for identification of various internal and external risks including credit risk, operational risk, information security risk, liquidity, interest rate risk etc. and the integrated risks;
4. to ensure that the risk policies clearly spell out the quantitative prudential limits on various segments of Company’s operations;
5. to implement measures for risk mitigation including systems and processes for comprehensive internal controls to mitigate the identified risks;
6. to ensure that appropriate methodology, processes and systems are in place to effectively monitor and evaluate business related risks commensurate with the size and complexity of the Business;
7. to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics, evolving complexity and emerging risks;
8. to review the progress made in putting in place a proactive risk management system and risk management policy and strategy followed by the Company;
9. to hold the line management accountable for the risks under their control, and the performance of the Company in that area;
10. to provide an independent and objective view of the information presented by management on various risks and mitigation plan;
11. to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
12. to review appointment, removal and terms of remuneration of the Chief Risk Officer;
13. to review and assess the nature, role, responsibility and authority of risk management function within the Company and outline the scope of risk management work
14. to coordinate its activities with other committees, in instances where there is any overlap with activities of such committees; and
15. to provide guidance to the Company on ESG vision and strategy including sustainability related matters;
16. to oversee ESG performance of the Company and track progress;
17. to provide guidance on matters of public responsibility including, community quality assurance and corporate reputation;

18. to recommend guidelines on corporate governance and ethics from time to time;
19. to review key corporate governance processes not specifically assigned to any other committee of the Board;
20. to monitor and track business risks and opportunities arising from ESG aspects;
21. to provide guidance to the Company on stakeholder engagement on ESG matters;
22. to review the Company's performance on external ESG Ratings and Indices and guide the Company in improving such ratings;
23. to monitor integration of ESG matters in overall strategy;
24. to adopt ESG strategy, targets and approve execution plan;
25. to formulate/approve and review codes and/or policies for better governance including ESG Policy;
26. to review and assess the adequacy of internal policies and guidelines and monitor practice of same in Company's culture and business practices; and
27. to undertake such other functions as may be entrusted to it by the Board or prescribed under applicable statutory / regulatory requirements from time to time

#### ***Nomination and Remuneration Committee***

The Nomination and Remuneration Committee was re-constituted vide a resolution passed by the Board on October 31, 2022. As on the date of this Draft Shelf Prospectus, it comprises of:

<b>Name</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Subramanian Ramadorai	Chairman	Independent Director
Ajay G. Piramal	Member	Whole-Time Director
Anjali Bansal	Member	Independent Director
Kunal Bahl	Member	Independent Director

The scope of activities of the Nomination and Remuneration Committee is as set out in Regulation 19 of SEBI Listing Regulations and as amended read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. To identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and to specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
3. To formulate the criteria for evaluation of performance of independent directors and the board of directors;
4. To devise a policy on diversity of board of directors;
5. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. To recommend to the board, all remuneration, in whatever form, payable to Senior Management;
7. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;

- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
8. Any other terms of reference as laid down under Section 178 and other applicable provisions of the Companies Act, 2013 and Listing Regulations, as well as any other applicable legislation that may be in force or modified/implemented from time to time

#### ***Stakeholders' Relationship Committee***

The Stakeholders' Relationship Committee was re-constituted vide a resolution passed by the Board on October 31, 2022. As on the date of this Draft Shelf Prospectus, it comprises of:

<b>Name</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Suhail Nathani	Chairman	Independent Director
Nandini Piramal	Member	Non-Executive, Non-Independent Director
Vijay Shah	Member	Non-Executive, Non-Independent Director

The broad terms of reference of the Stakeholders' Relationship Committee are:

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

#### ***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee was re-constituted vide a resolution passed by the Board on October 31, 2022. As on the date of this Draft Shelf Prospectus, it comprises of:

<b>Name</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Shikha Sharma	Chairperson	Non-Executive, Non-Independent Director
Swati A. Piramal	Member	Whole-Time Director
Nandini Piramal	Member	Non-Executive Director
Puneet Yadu Dalmia	Member	Independent Director
Suhail Nathani	Member	Independent Director

The broad terms of reference of the Corporate Social Responsibility Committee are:

1. To recommend to the Board, a CSR Policy (and modifications thereto from time to time) which shall provide the approach and guiding principles for selection, implementation and monitoring of CSR activities to be undertaken by the Company as well as formulation of annual action plan(s);
2. To formulate and recommend annual action plan(s), and any modifications thereof, to the Board comprising of following information:
  - 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.
3. To approve specific projects, either new or ongoing, in pursuance of the Areas of Interest outlined in the CSR Policy, for inclusion in the annual action plan or for contributing to specific funds/ agencies as specified in Schedule VII of the Act;
  4. To recommend to the Board, the amount of expenditure to be incurred on the CSR activities in a financial year and the amount to be transferred in case of ongoing projects and unspent amounts;
  5. To review the progress of CSR initiatives undertaken by the Company;
  6. To monitor the CSR Policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the projects undertaken;
  7. To review and recommend to the Board, the Annual Report on CSR activities to be included in Board's Report;
  8. To review and recommend to the Board, the impact assessment report as may be obtained by the Company from time to time;
  9. To undertake such activities and carry out such functions as may be provided under Section 135 of the Act and the Rules framed thereunder, as well as amendments thereto from time to time; and
  10. To carry out such additional functions as may be provided under applicable statutory / regulatory requirements and/or as may be entrusted to it by the Board from time to time

#### ***IT Committee***

IT Committee was constituted vide a board resolution passed by the Board on October 31, 2022. As on the date of this Draft Shelf Prospectus, it comprises of:

<b>Name</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Kunal Bahl	Chairman	Independent Director
Subramanian Ramadorai	Member	Independent Director
Anjali Bansal	Member	Independent Director

The scope of the IT Committee includes the references made Master Directions on Information Technology Framework for NBFCs, issued by the Reserve Bank of India ('RBI') vide its notification no. DNBS.PPD.No.04/66.15.001/2016-17 dated June 8, 2017, besides the other terms that may be referred by the Board of Directors. The broad terms of reference of the IT Committee are:

1. approve Information Technology ('IT') strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
3. ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
5. ensuring proper balance of IT investments for sustaining NBFC's growth and becoming
6. aware about exposure towards IT risks and controls;
7. instituting an effective governance mechanism and risk management processes for all outsourced IT operations;
8. undertake any other responsibility as laid down by RBI from time to time;
9. reviewing and approving the comprehensive risk assessment of their IT systems at least on a yearly basis;
10. to work in partnership with other Board committees and Senior Management to provide input to them;

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

**Financial Services Approval Committee**

Financial Services Approval Committee was constituted vide a circular resolution passed on October 27, 2022. As on the date of this Draft Shelf Prospectus, it comprises of:

<b>Name</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Gautam Bhailal Doshi	Chairman	Independent Director
Anand Piramal	Member	Non-Executive, Non-Independent Director
Shikha Sharma	Member	Independent Director
Suhail Nathani	Member	Independent Director

The broad terms of reference of the Financial Services Approval Committee are:

1. To evaluate and sanction proposals for providing:
  - a. Assistance to Real Estate developers for executing real estate projects;
  - b. Lending to companies across sectors;
  - c. Other kinds of funding (including loan against shares and properties) where the principal security is Real Estate asset and/or cash flows from Real Estate and/or land parcels;
  - d. Funding where the primary purpose is to provide senior or mezzanine debt to companies across sectors;
  - e. Lease Rental Discounting (LRD) for commercial assets;
  - f. Any other product best suited to the emerging needs and diversify the loan portfolio
2. To evaluate and sanction above such proposals with borrower group exposure greater than 10% of PEL's net-worth;
3. To do all acts, deeds, matters and things, including authorising execution of documents and seek all requisite clarifications and additional information as may be deemed necessary by it for effectively discharging its function;
4. To sanction proposals adhering to the applicable norms prescribed by RBI or under any other applicable laws at any point in time;
5. To consider, evaluate and sanction (including disbursements) all the funding proposals to entities as covered above, up to an amount not exceeding Rs. 75,000 crores at any point of time, and to do all such acts and things as may be required for carrying out and giving effect to its terms of reference and for discharging its responsibilities with further power to delegate its powers to any Director(s), Officer(s) or other person(s) and also to induct any other director as its member as it may deem fit and proper;
6. Any proposal, exceeding limits defined by Board of Director from time to time shall be presented to Board of Directors, even if it suffices the terms of references of FSAC;
7. Any change to the composition shall be approved by the Board and would be updated in the policy from time to time;
8. To undertake such other functions as may be entrusted to it by the Board or prescribed under applicable statutory / regulatory requirements from time to time.

**Asset Liability Management Committee**

Asset Liability Management Committee was constituted vide a board resolution passed on August 26, 2022. As on the date of this Draft Shelf Prospectus, it comprises of:

<b>Name</b>	<b>Designation</b>
Ajay G. Piramal	Chairman
Upma Goel	Member
Lalit Ostwal	Member
Narayan Prasad Kambhatla	Member


<b>Name</b>	<b>Designation</b>
Kalamkar Nayak	Member

Apart from the members of the Asset Liability Management Committee, as mentioned above, the Asset Liability Management Committee would also be supported by a support group of representatives of functions such as Risk, Treasury, Compliance, Finance, Information Technology.

The broad terms of reference of the Asset Liability Committee are to monitor and implement the Asset Liability Management Policy of the Company and to provide a comprehensive and dynamic framework for measuring, monitoring, accepting and managing the interest rate and liquidity risk.

## OUR PROMOTER

The Promoter of our Company is:

	<p><b>Ajay G. Piramal</b></p> <p>Address: 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400 018</p> <p>Date of Birth: August 3, 1955</p> <p>Age: 67</p> <p>PAN: AAEP7726Q</p>
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### Profile of our Promoter

**Ajay G. Piramal** is the Chairman and Executive Director of our Company. He holds a bachelor's degree in science (honours) from University of Bombay and a master's degree in management studies from Jamnalal Bajaj Institute of Management Studies, University of Bombay. He also holds an honorary doctorate in science (honoris causa) from Indian Institute of Technology, Indore and a doctorate in philosophy (D. Phil) from Amity University, Uttar Pradesh. He has also completed 'The Advanced Management Program' at Harvard Business School, USA. He is the Chairman of Piramal Enterprises Limited (PEL) and the pharmaceuticals business was vertically demerged from PEL pursuant to the order of the National Company Law Tribunal, Mumbai, dated August 12, 2022. He serves on the Harvard Business School's Board of Dean's Advisors and non-executive director of Tata Sons Private Limited. He also serves as President of Anant National University, chairman of the Pratham Education Foundation and serves on the Board of Piramal Foundation. He has been conferred with several national and international recognitions including Honorary Commander of the Order of the British Empire (CBE) in 2022; 'Deal Maker Hall of Fame' at the Mint India Investment Summit (2022); 'Business Leader of the Year' in 2018 by All India Management Association; 'Business Leader of the Year, 2018' by International Advertising Association and 'Asia Business Leader of the Year' in 2017 by CNBC.

### Directorship held in other companies

As of date of this Draft Shelf Prospectus, our Promoter is holding directorship in below mentioned companies:

- Piramal Glass Private Limited
- Allergan India Private Limited
- Piramal Capital & Housing Finance Limited (Formerly known as Dewan Housing Finance Corporation Limited)
- Piramal Fund Management Private Limited
- Pratham Education Foundation
- PEL Management Services Private Limited
- Kaivalya Education Foundation
- Piramal Foundation
- Nutan Nirmata Foundation
- Tata Sons Private Limited

### Other ventures of the Promoter

Nil

### **Confirmation for the Promoter**

We confirm that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number and Passport Number of the Promoter, as available, have been submitted to the BSE and NSE at the time of filing this Draft Shelf Prospectus.

### **Interest of our Promoter in our Company**

Except as a shareholder of our Company and as stated under “*Capital Structure*” beginning on page 61 and as disclosed in “*Related Party Transactions*” on page 209, our Promoter does not have interest in our Company. Further, for details pertaining to the transactions entered into between our Promoter and Promoter Group entities and our Company, please see “*Our Management – Related Party Transactions*” on page 178.

Our Promoter does not have any interest in our Company other than the dividend paid as our shareholder, loans provided to us by our Promoter, remuneration and sitting fees he may have been entitled to as a Director on the Board of our Company, sharing infrastructure and common services. For further details, please see related party transactions in the section “*Related Party Transactions*” on page 209 of this Draft Shelf Prospectus.

Our Promoter does not have any interest in any transaction in relation to property of our Company within two years preceding the date of filing of this Draft Shelf Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Our Promoter does not propose to subscribe to this Issue.

Our Promoter has no financial or other material interest in the Issue and no benefit / interest will accrue to our Promoter or Promoter Group out of the objects of the Issue.

### **Other understanding and confirmations**

Our Promoter has confirmed that he has not been identified as Wilful Defaulters by the RBI or any other governmental authority and/or bank or financial institution and is not a Promoter or a whole-time director of any such company which has been identified as a Wilful Defaulter by the RBI or any other governmental authority and/or bank or financial institution or which has been in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months. Further, no members of our Promoter Group have been identified as Wilful Defaulters.

Our Promoter has not been declared as a fugitive economic offender.

No violation of securities laws has been committed by our Promoter in the past and no regulatory action before SEBI, RBI or any other regulatory authority is currently pending against our Promoter except as disclosed in section titled “*Outstanding Litigations and Defaults*” on page 262.

Our Promoter was not a promoter or director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Shelf Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoter and Promoter Group are not restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad and are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

### **Payment of benefits to our Promoter during the last three years**

Other than as disclosed in “*Related Party Transactions*” on page 209, our Company has not made payment of any benefit to our Promoter during the last three years preceding the date of this Draft Shelf Prospectus.

### **Common pursuits of our Promoter**

Our Promoter does not have interest in the entities that are engaged in businesses similar to ours including the Promoter Group, Group Companies and Subsidiaries.

### **Details of Equity Shares allotted to our Promoter during the last three Fiscal Years and current Fiscal.**

Our Promoter has not been allotted any Equity Shares of our Company during the last three Fiscal Years and current fiscal.



**SECTION V: FINANCIAL INFORMATION**

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## DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company, on a standalone basis, as on June 30, 2023 (as per Ind AS) are as follows:

Sr. No.	Nature of borrowings	Amount Outstanding (in ₹) crores	% of Borrowing
1.	Secured borrowings	3,722.09	63.00%
2.	Unsecured borrowings	2,155.60	37.00%
	<b>Total</b>	<b>5877.69</b>	<b>100.00%</b>

### DETAILS OF BORROWINGS OF THE COMPANY, AS ON THE LATEST QUARTER ENDED, I.E., JUNE 30, 2023:

#### A. Details of outstanding secured loan facilities:

##### (1) Details of outstanding secured term loan facilities as on last quarter end date (June 30, 2023)

Our Company's total principal amount outstanding for secured term loans/facility from banks as on June 30, 2023 is ₹ 979.17 crores and the total amount outstanding (book value) of secured term loans/facility from banks as on June 30, 2023 (as per IND AS) is ₹ 975.86 crores. The details of the borrowings are set out below:

Sr. No.	Name of lender	Type of facility	Amount Sanctioned (in ₹ crores)	Principal Amount outstanding (as on June 30, 2023) (in ₹ crores)	Repayment Date / Schedule	Security	Credit Rating, if applicable	Asset Classification
1.	IndusInd Bank Limited  Date of Sanction: March 31, 2023	Term loan	50.00	50.00	March 31, 2027  Repayable in 12 equal quarterly instalments starting from June 30, 2024	Pari-Passu charge by way of hypothecation on the loan portfolio/receivables that are standard (arising out of lending, loans and advances and current assets/financial assets) and receivables arising out of investments (excluding inter-corporate deposits, or investments made in the nature of equity investments or convertible instruments or investments made or loan extended by Borrower to its subsidiaries or affiliates), Cash and cash equivalents, other than Excluded Receivables.	CARE AA Stable	Standard
2.	IndusInd Bank Limited  Date of Sanction: August 24, 2021	Term loan	100.00	100.00	September 30, 2023  Repayable at the end of 2 <sup>nd</sup> year from the date availed.	Pari-Passu charge by way of hypothecation on the loan portfolio/receivables that are standard and liquid investments (excluding investment in Group companies), cash and cash equivalents, other than excluded receivables	CARE AA Stable	Standard
3.	IndusInd Bank Limited	Term loan	250.00	250.00	March 31, 2027  Repayable in 14 quarterly	Pari-Passu charge by way of hypothecation on the standard receivables (arising out of lending, loans and advances and current assets/financial	CARE AA Stable	Standard

Sr. No.	Name of lender	Type of facility	Amount Sanctioned (in ₹ crores)	Principal Amount outstanding (as on June 30, 2023) (in ₹ crores)	Repayment Date / Schedule	Security	Credit Rating, if applicable	Asset Classification
	Date of Sanction: March 31, 2023				instalments starting from December 31, 2023	assets) and receivables arising out of investments (including non-convertible debenture and inter-corporate deposits but excluding investments made in the nature of equity investments or investments made or loan extended by the Company to its subsidiaries or affiliates).  Pari-Passu charge by way of hypothecation on the loan portfolio/receivables that are standard (arising out of lending, loans and advances and current assets/financial assets) and receivables arising out of investments (excluding inter-corporate deposits, or investments made in the nature of equity investments or convertible instruments or investments made or loan extended by Borrower to its subsidiaries or affiliates), Cash and cash equivalents, other than Excluded Receivables.		
4.	Indian Overseas Bank  Date of Sanction: March 28, 2023	Term loan	200.00	200.00	September 30, 2027  Repayable in 16 quarterly equal instalments starting from December 31, 2023	Pari-Passu charge by way of hypothecation on the standard receivables (arising out of lending, loans and advances and current assets/financial assets) and receivables arising out of investments (including non-convertible debenture and inter-corporate deposits but excluding investments made in the nature of equity investments or investments made or loan extended by Borrower to its subsidiaries or affiliates).	CARE AA Stable	Standard

Sr. No.	Name of lender	Type of facility	Amount Sanctioned (in ₹ crores)	Principal Amount outstanding (as on June 30, 2023) (in ₹ crores)	Repayment Date / Schedule	Security	Credit Rating, if applicable	Asset Classification
5.	The Karur Vysya Bank Limited  Date of Sanction: June 27, 2023	Term loan	100.00	100.00	June 30, 2028  Repayable in 13 quarterly equal instalments starting from September 30, 2023	Floating pari-passu charge by way of hypothecation on the secured loan receivables of the Company arising from loans and advances (both present and future), (other than specifically charged) to an extent of 1.11 times.	CARE AA Stable	Standard
6.	Karnataka Bank Limited  Date of Sanction: June 23, 2023	Term loan	50.00	50.00	June 30, 2026  Repayable in 11 quarterly equal instalments of Rs 4.25 crore each and last instalment of Rs 3.25 crore.	First pari-passu charge by way of hypothecation along with other working capital/term lenders on current and future standard loan receivables (excluding stressed assets) of the Company through the trustee IDBI Trusteeship Services Limited with a security cover of 1.10 times of the outstanding amount (including interest), excluding receivables over which the Company has exclusively created charge in favour of certain existing charge holders. Investments by way of NCDs/ Mutual Fund/ Loans given to group companies should not be included in loan assets for the purpose of ACR.	CARE AA Stable	Standard
7.	IndusInd Bank  Date of Sanction: March 28, 2022	Term loan	250.00	229.17	March 31, 2026  Repayable in 12 quarterly instalments starting from June 30, 2023	Pari-Passu charge by way of hypothecation on the loan portfolio/receivables that are standard (arising out of lending, loans and advances and current assets/financial assets) and receivables arising out of investments (including non-convertible debenture and inter-corporate deposits but excluding investments made in the nature of equity investments or convertible instruments or investments made or loan extended by Borrower to its subsidiaries or	CARE AA Stable	Standard

Sr. No.	Name of lender	Type of facility	Amount Sanctioned (in ₹ crores)	Principal Amount outstanding (as on June 30, 2023) (in ₹ crores)	Repayment Date / Schedule	Security	Credit Rating, if applicable	Asset Classification
						affiliates), Cash and cash equivalents, other than Excluded Receivables.		
<b>Total</b>			1,000.00	979.17				

Note: This table only captures details relating to scheduled payments. Under the financing documents, other amounts such as default, penal or additional interest or premium may be payable on the occurrence of (or absence of) certain events, such as prepayment, as also other costs, fees, and indemnity payments and reimbursements.

(2) Details of cash credit, working capital demand loans and overdraft facilities

Our Company does not have any outstanding cash credit, working capital demand loans and overdraft facilities as on June 30, 2023 as per unaudited books of account.

**B. Details of Outstanding Unsecured Loan Facilities:**

Our Company has not availed any unsecured loan facilities (including, *inter alia*, term loans, working capital facilities, cash credit and overdraft facilities) which are outstanding as on June 30, 2023.

**C. Details of Outstanding Non-Convertible Securities as of last quarter end date (June 30, 2023):**

Secured:

The total principal amount of outstanding secured non-convertible securities issued by our Company on a private placement basis as on June 30, 2023 is ₹ 2600.80 crores and the total amount outstanding (book value) as on June 30, 2023 (as per IND AS, after considering interest accrued thereon) is ₹ 2,746.23 crores, the details of which are set forth below:

Sr. No.	Type of Non-Convertible Securities	Series of NCS/ ISIN	Tenor/ Period of Maturity	Coupon	Principal Amount (in ₹ crores)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security
1.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal  Protected, Market Linked Debentures	INE140A07179	3652 days	9.75%	35.00	July 14, 2016	July 14, 2026	CARE AA Stable	Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.
2.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal  Protected, Market Linked Debentures	INE140A07211	3650 days	9.75%	5.00	July 19, 2016	July 17, 2026	CARE AA Stable	Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.
3.	Secured, Rated, Listed, Redeemable	INE140A07658	912 days	8.00%	400.00	September 27, 2021	March 27, 2024	CARE PP-MLD AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard

Sr. No.	Type of Non-Convertible Securities	Series of NCS/ ISIN	Tenor/ Period of Maturity	Coupon	Principal Amount (in ₹ crores)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security
	Non-Convertible, Principal Protected, Market Linked Debentures								receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company
4.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal Protected, Market Linked Debentures	INE140A07666	915 days	8.00%	125.00	March 2, 2022	September 2, 2024	CARE PP-MLD AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company
5.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal Protected, Market Linked Debentures	INE140A07666	889 days	8.00%	175.00	March 28, 2022	September 2, 2024	CARE PP-MLD AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in

Sr. No.	Type of Non-Convertible Securities	Series of NCS/ ISIN	Tenor/ Period of Maturity	Coupon	Principal Amount (in ₹ crores)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security
									the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company.
6.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal  Protected, Market Linked Debentures	INE140A07674	915 days	8.00%	100.00	May 4, 2022	November 4, 2024	CARE PP-MLD AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company
7.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal  Protected, Market Linked Debentures	INE140A07682	731 days	8.00%	100.00	May 24, 2022	May 24, 2024	CARE PP-MLD AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or

Sr. No.	Type of Non-Convertible Securities	Series of NCS/ ISIN	Tenor/ Period of Maturity	Coupon	Principal Amount (in ₹ crores)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security
									loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company.
8.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal  Protected, Market Linked Debentures	INE140A07682	679 days	8.00%	70.00	July 15, 2022	May 24, 2024	CARE PP – MLD AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company.
9.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal  Protected, Market Linked Debentures	INE140A07682	661 days	8.00%	75.00	August 2, 2022	May 24, 2024	CARE PP-MLD AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company.



Sr. No.	Type of Non-Convertible Securities	Series of NCS/ ISIN	Tenor/ Period of Maturity	Coupon	Principal Amount (in ₹ crores)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security
10.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal  Protected, Market Linked Debentures	INE140A07690	731 days	8.00%	215.00	September 20, 2022	September 20, 2024	CARE PP-MLD AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company
11.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal  Protected, Market Linked Debentures	INE140A07708	973 days	8.10%	50.30	September 23, 2022	May 23, 2025	CARE PP-MLD AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company.
12.	Secured, Rated, Unlisted, Redeemable Non-Convertible, Principal	INE140A07716	364 days	3 (Three) Month MIBOR as published by the Bloomberg page on IN003M plus a	1,000.00	November 7, 2022	November 6, 2023	ICRA A1+	First ranking pari passu charge over standard receivables of the Company and pledge over listed shares Shriram Finance Limited and all unlisted shares of Shriram GI Holdings

Sr. No.	Type of Non-Convertible Securities	Series of NCS/ ISIN	Tenor/ Period of Maturity	Coupon	Principal Amount (in ₹ crores)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security
	Protected, Market Linked Debentures			spread of 2.05% (two point zero percent) and as more particularly set out in the Debenture Trust Deed.					Pvt. Ltd, held by the Borrower (to be held on a pari passu basis along with Existing SCB Facility and Additional Borrowing).
13.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal  Protected, Market Linked Debentures	INE140A07708	926 days	8.10%	50.50	November 9, 2022	May 23, 2025	CARE PP-MLD AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company
14.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal  Protected, Market Linked Debentures	INE140A07682	540 days	8.00%	100.00	December 1, 2022	May 24, 2024	CARE PP-MLD AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest,

Sr. No.	Type of Non-Convertible Securities	Series of NCS/ ISIN	Tenor/ Period of Maturity	Coupon	Principal Amount (in ₹ crores)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security
									benefits, claims and demands whatsoever of the Company
15.	Secured, Rated, Listed, Redeemable Non-Convertible, Principal Protected, Market Linked Debentures	INE140A07732	1,176 days	8.75%	100.00	March 10, 2023	May 29, 2026	CARE AA Stable	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company.
<b>Total</b>					<b>2,600.80</b>				

Unsecured:

Our Company has not issued any unsecured non-convertible securities, which is outstanding as on June 30, 2023.

- (3) List of top 10 holders of non-convertible securities in terms of value (on cumulative basis) as on last quarter end date (June 30, 2023):

S. No	Name of holder of Non-convertible Securities	Category of Holder	Amount (in ₹ crores)	% of total non- convertible securities outstanding
1	Standard Chartered Bank	Bank	1,000.00	38.45%
2.	Sporta Technologies Private Limited	Corporate	150.00	5.77%
3.	Maithan Alloys Limited	Corporate	90.00	3.46%
4.	Niranjan Lakhmal Hiranandani	Individual	50.00	1.92%
5.	Dushyant Raojibhai Patel	Trust	40.00	1.54%
6.	Shyam Metals and Energy Limited	Corporate	40.00	1.54%
7.	Shyam Ferro Alloys Limited	Corporate	35.00	1.35%
8.	Shringee Packaging & Ancilliary Private Limited	Corporate	35.00	1.35%
9.	Oxyzo Financial Services Private Limited	Corporate	32.40	1.25%

S. No	Name of holder of Non-convertible Securities	Category of Holder	Amount (in ₹ crores)	% of total non-convertible securities outstanding
10.	Bharat Kanaiyalal Sheth	Individual	30.00	1.15%
<b>Total</b>			<b>1,502.40</b>	<b>57.78%</b>

- (4) The principal amount outstanding for unsecured commercial papers as on June 30, 2023 is ₹ 2,179.25 crores and the total amount outstanding (book value) as on June 30, 2023 (as per Ind As, after considering interest accrued thereon) is ₹ 2,125.45 crores, the details of which are set forth below:

Sr. No.	ISIN of Commercial Paper	Maturity Date	Coupon	Date of allotment	Redemption dates/schedules	Credit Rating	Secured/Unsecured	Security	Other details viz. details of issuing and paying agent, details of credit rating agencies etc.	Amount Outstanding as on June 30, 2023 (in ₹ crores)
1.	INE140A14W91	October 12, 2023	7.80%	October 12, 2022	October 12, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit Rating Agency - CRISIL &amp; CARE</b>	25.00
2.	INE140A14X90	July 31, 2023	8.40%	December 16, 2022	July 31, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit Rating Agency - CRISIL &amp; CARE</b>	10.00
3.	INE140A14Y08	September 15, 2023	8.60%	December 19, 2022	September 15, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit Rating Agency - CRISIL &amp; CARE</b>	200.00
4.	INE140A14Y32	December 1, 2023	9.00%	January 3, 2023	December 1, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit Rating Agency - CRISIL &amp; CARE</b>	200.00
5.	INE140A14Y40	December 29, 2023	9.00%	January 9, 2023	December 29, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit Rating Agency - CRISIL &amp; CARE</b>	200.00
6.	INE140A14Y57	January 8, 2024	9.00%	January 9, 2023	January 8, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit</b>	200.00

Sr. No.	ISIN of Commercial Paper	Maturity Date	Coupon	Date of allotment	Redemption dates/schedules	Credit Rating	Secured/Unsecured	Security	Other details viz. details of issuing and paying agent, details of credit rating agencies etc.	Amount Outstanding as on June 30, 2023 (in ₹ crores)
									Rating Agency - CRISIL & CARE	
7.	INE140A14X90	July 31, 2023	8.50%	January 24, 2023	July 31, 2023	CARE A1+	Unsecured	Not Applicable	Issuing & Paying Agent - HDFC Bank Credit Rating Agency - CRISIL & CARE	25.00
8.	INE140A14Y73	October 26, 2023	8.75%	January 31, 2023	October 26, 2023	CARE A1+	Unsecured	Not Applicable	Issuing & Paying Agent - HDFC Bank Credit Rating Agency - CRISIL & CARE	150.00
9.	INE140A14Y81	October 27, 2023	8.75%	February 1, 2023	October 27, 2023	CARE A1+	Unsecured	Not Applicable	Issuing & Paying Agent - HDFC Bank Credit Rating Agency - CRISIL & CARE	150.00
10.	INE140A14Z23	August 9, 2023	8.50%	February 10, 2023	August 9, 2023	CARE A1+	Unsecured	Not Applicable	Issuing & Paying Agent - HDFC Bank Credit Rating Agency - CRISIL & CARE	10.00
11.	INE140A14Z72	September 20, 2023	8.90%	February 27, 2023	20 September 2023	CARE A1+	Unsecured	Not Applicable	Issuing & Paying Agent - HDFC Bank Credit Rating Agency - CRISIL & CARE	150.00
12.	INE140A140A7	March 7, 2024	9.05%	March 10, 2023	March 7, 2024	CARE A1+	Unsecured	Not Applicable	Issuing & Paying Agent - HDFC Bank Credit Rating Agency - CRISIL & CARE	34.00

Sr. No.	ISIN of Commercial Paper	Maturity Date	Coupon	Date of allotment	Redemption dates/schedules	Credit Rating	Secured/Unsecured	Security	Other details viz. details of issuing and paying agent, details of credit rating agencies etc.	Amount Outstanding as on June 30, 2023 (in ₹ crores)
13.	INE140A14Z72	September 20, 2023	8.90%	March 28, 2023	September 20, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	20.00
14.	INE140A140F6	September 26, 2023	8.90%	March 31, 2023	September 26, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	100.00
15.	INE140A140G4	October 3, 2023	8.80%	April 6, 2023	October 3, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	50.00
16.	INE140A140H2	July 11, 2023	8.50%	April 12, 2023	July 11, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	255.25
17.	INE140A140I0	March 28, 2024	8.90%	April 13, 2023	March 28, 2024	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	10.00
18.	INE140A140J8	January 15, 2024	9.00%	April 18, 2023	January 15, 2024	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	5.00
19.	INE140A140L4	October 20, 2023	8.70%	April 24, 2023	October 20, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b>	26.00

Sr. No.	ISIN of Commercial Paper	Maturity Date	Coupon	Date of allotment	Redemption dates/schedules	Credit Rating	Secured/Unsecured	Security	Other details viz. details of issuing and paying agent, details of credit rating agencies etc.	Amount Outstanding as on June 30, 2023 (in ₹ crores)
									CRISIL & CARE	
20.	INE140A140M2	August 1, 2023	8.40%	May 2, 2023	August 1, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	5.00
21.	INE140A140M2	August 1, 2023	8.40%	May 2, 2023	August 1, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	5.00
22.	INE140A140M2	August 1, 2023	8.40%	May 3, 2023	August 1, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	20.00
23.	INE140A140M2	August 1, 2023	8.40%	May 3, 2023	August 1, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	3.00
24.	INE140A14Y81	October 27, 2023	8.60%	May 3, 2023	October 27, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	10.00
25.	INE140A140N0	February 2, 2024	8.70%	May 9, 2023	February 2, 2024	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank <b>Credit Rating Agency -</b> CRISIL & CARE	5.00
26.	INE140A140O8	November 7, 2023	8.60%	May 11, 2023	November 7, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent -</b> HDFC Bank	15.00

Sr. No.	ISIN of Commercial Paper	Maturity Date	Coupon	Date of allotment	Redemption dates/schedules	Credit Rating	Secured/Unsecured	Security	Other details viz. details of issuing and paying agent, details of credit rating agencies etc.	Amount Outstanding as on June 30, 2023 (in ₹ crores)
									<b>Credit Rating Agency - CRISIL &amp; CARE</b>	
27.	INE140A14Z23	August 9, 2023	8.35%	May 12, 2023	August 9, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit Rating Agency - CRISIL &amp; CARE</b>	20.00
28.	INE140A140P5	September 14, 2023	8.40%	May 16, 2023	September 14, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit Rating Agency - CRISIL &amp; CARE</b>	40.00
29.	INE140A140R1	November 22, 2023	8.60%	May 26, 2023	November 22, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit Rating Agency - CRISIL &amp; CARE</b>	6.00
30.	INE140A140S9	August 28, 2023	8.30%	May 29, 2023	August 28, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit Rating Agency - CRISIL &amp; CARE</b>	10.00
31.	INE140A140S9	August 28, 2023	8.30%	June 1, 2023	August 28, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit Rating Agency - CRISIL &amp; CARE</b>	10.00
32.	INE140A140T7	September 7, 2023	8.30%	June 9, 2023	September 7, 2023	CARE A1+	Unsecured	Not Applicable	<b>Issuing &amp; Paying Agent - HDFC Bank Credit Rating Agency - CRISIL &amp; CARE</b>	25.00



Sr. No.	ISIN of Commercial Paper	Maturity Date	Coupon	Date of allotment	Redemption dates/schedules	Credit Rating	Secured/Unsecured	Security	Other details viz. details of issuing and paying agent, details of credit rating agencies etc.	Amount Outstanding as on June 30, 2023 (in ₹ crores)
33.	INE140A140U5	September 14, 2023	8.30%	June 19, 2023	September 14, 2023	CARE A1+	Unsecured	Not Applicable	Issuing & Paying Agent - HDFC Bank Credit Rating Agency - CRISIL & CARE	125.00
34.	INE140A140V3	March 20, 2024	8.70%	June 22, 2023	March 20, 2024	CARE A1+	Unsecured	Not Applicable	Issuing & Paying Agent - HDFC Bank Credit Rating Agency - CRISIL & CARE	5.00
35.	INE140A140W1	January 24, 2024	8.50%	June 27, 2023	January 24, 2024	CARE A1+	Unsecured	Not Applicable	Issuing & Paying Agent - HDFC Bank Credit Rating Agency - CRISIL & CARE	25.00
36.	INE140A140X9	December 14, 2023	8.45%	June 30, 2023	December 14, 2023	CARE A1+	Unsecured	Not Applicable	Issuing & Paying Agent - HDFC Bank Credit Rating Agency - CRISIL & CARE	30.00
<b>Total</b>										<b>2,179.25</b>

- (5) List of top ten holders of commercial papers in the Company in terms of value (on a cumulative basis), as on June 30, 2023:

Name of holder	Category of holder	Face value of holding (in ₹ crores)	Holding as a percentage of the total commercial paper outstanding as on June 30, 2023
Kotak Mutual Fund	Mutual Fund	600.00	27.53%
Kotak Mahindra Bank Limited	Bank	500.00	22.94%
Dandu Venkata Satyanarayana Raju	Individual	255.25	11.71%
Nippon India Mutual Fund	Mutual Fund	150.00	6.88%
Baroda BNP Paribas Mutual Fund	Mutual Fund	125.00	5.74%
Avaada Ventures Private Limited	Corporate	100.00	4.59%
The Kangra Central Co-Op Bank Limited	Bank	59.00	2.71%
The South Indian Bank	Bank	50.00	2.29%

Name of holder	Category of holder	Face value of holding (in ₹ crores)	Holding as a percentage of the total commercial paper outstanding as on June 30, 2023
Transport Corporation of India Limited	Corporate	45.00	2.06%
Mahindra Manulife Mutual Fund	Mutual Fund	40.00	1.84%
Metro Brands Limited	Corporate	40.00	1.84%

- (6) Details of the bank fund based facilities/rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) from financial institutions or financial creditors:

Our Company has not entered into any other borrowing arrangement other than as disclosed in this section “Disclosures on Existing Financial Indebtedness”.

- (7) Restrictive Covenants: The loans availed by our Company contain certain restrictive covenants, including requirement for the Company to obtain prior written consent of the lenders for:
- entering into any merger and amalgamation.
  - winding up or liquidating its affairs.
  - changing the general nature of its business.
  - making any amendments to its constitutional documents except in relation to the amendments made in the constitutional documents in compliance with regulatory requirements.
  - No change in the management or promoter shareholding of the borrower wherein shareholding of the promoter in the borrower (whether directly or indirectly) dilutes below 26%.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company and certain of our Subsidiaries.

- (8) The amount of corporate guarantee or letter of comfort issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty, subsidiary, Joint Venture entity, group company etc) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc.

As on the date of this Draft Shelf Prospectus, no corporate guarantees have been issued by our Company.

- (9) The total principal amount outstanding for unsecured inter corporate loans, as on June 30, 2023 is ₹30.00 crores and the total amount outstanding (book value) as on June 30, 2023 (as per IND AS, after considering interest accrued thereon) is ₹30.15 crores, the details of which are set forth below.

Sr. No.	Name of the Lender	Principal Amount (in ₹ crores)	Amount Outstanding as on June 30, 2023 (in ₹ crores)	Maturity Date	Interest Rate (in %)	Secured/ Unsecured
1.	Bhishma Realty Limited	10.00	10.00	August 1, 2023	8.20	Unsecured
2.	Ragus Healthcare Private Limited	20.00	20.00	September 8, 2023	8.20	Unsecured

- (10) As on the date of this Draft Shelf Prospectus, there has been no default and/or delay in payment of principal or interest on any existing term loan, debt security issued by the Issuer, commercial paper (including technical delays) and other financial indebtedness including corporate guarantee or letter of comfort issued by the Company, in the past three financial years and the current financial year.
- (11) There is no subsisting instance of default in payment of statutory dues by the Company during the financial years ended March 31, 2023, March 31, 2022, March 31, 2021 and for the current Fiscal\*, except the following statutory dues not paid on account of dispute:

<b>S. No.</b>	<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount not paid (₹ in crore)</b>
<b>1</b>	Income Tax Act, 1961	Income Tax	67.57
<b>2.</b>	Central excise Laws	Excise Duty and Service Tax including interest and penalty, as applicable	54.69
<b>3.</b>	Goods and Service Act	GST	0.35
<b>4.</b>	Sales Tax Laws	Sales Tax	4.95
<b>5.</b>	Stamp Act	Stamp Duty	9.37
	<b>Total</b>		<b>136.93</b>

*\*As of August 22, 2023*

- (12) Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash; whether (i) in whole or part; (ii) at a premium or discount, or (iii) in pursuance of an option or not;

As on June 30, 2023, our Company has no outstanding borrowings taken / debt securities issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, other than (i) commercial papers, which are issued at discount and redeemable at face value, and (ii) non-convertible securities issued at a premium or discount, or (c) in pursuance of an option.

## MATERIAL DEVELOPMENTS

Since March 31, 2023, there are no material event/ development or changes having implications on the financials or credit quality which may affect the Issue or the investor's decision to invest/continue to invest in the non-convertible securities as of the date of this Draft Shelf Prospectus, other than following:

- (a) The Board of Directors in its meeting dated July 28, 2023 has approved a buyback to be undertaken by the Company of up-to 1,40,00,000 Equity Shares for an aggregate amount not exceeding ₹ 1,750.00 crores, being 5.87% of the total paid-up Equity Share capital, at ₹ 1,250.00 per Equity Share.

Additionally, date of opening of the buyback is Thursday, August 31, 2023 and the date of closing of the buyback is Wednesday, September 6, 2023.

- (b) The Board of Directors has recommended a final dividend of ₹ 31/- (Rupees Thirty-One) per equity share of face value of ₹ 2/- each (i.e. @ 1550%) for the financial year ended March 31, 2023, in Board meeting dated May 5, 2023, which was paid, post the approval of the shareholders of our Company in the 76<sup>th</sup> Annual General Meeting.
- (c) Our Company had sold its entire direct investment of 8.34% in the fully paid-up share capital of Shriram Finance Limited to third party investors, on the floor of the stock exchange for a net consideration of ₹ 4,788.58 crores resulting in profit of ₹ 854.68 crores. It has been intimated to Stock Exchanges on June 21, 2023.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions for the Fiscals 2023, 2022 and 2021, in accordance with the requirements under Ind AS 24 “*Related Party Disclosures*” notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, please see “*Financial Statements*” on page 384 of this Draft Shelf Prospectus and “*Note 55, Note 38 and Note 38.*”

***Related party transactions entered during the last three financial years with regard to loans made or, guarantees given or securities provided***

*(in ₹ crores)*

Name of the Related Party	Loans made			Guarantees given			Securities Provided		
	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022	For the financial year ended March 31, 2021	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022	For the financial year ended March 31, 2021	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022	For the financial year ended March 31, 2021
Piramal Fund Management Private Limited	7.50	17.85	301.95	-	-	-	-	-	-
PRL Developers Private Limited	109.29	-	-	-	-	-	-	-	-
Piramal Investment Advisory Services	-	247.64	300.00	-	-	-	-	-	-
Piramal Alternative Private Limited	11.15	4.70	10.70	-	-	-	-	-	-
Piramal Dutch Holdings NV	-	-	974.84	-	567.72	511.81	-	-	-
Piramal Capital and Housing Finance Limited	-	-	3,085.00	-	-	2,500.00	-	-	-
PHL Fininvest Private Limited	-	-	4,737.00	-	1,375.00	2,855.92	-	1,375.00	1,750.00
PEL Finhold Private Limited	-	-	758.50	-	-	-	-	-	-
Piramal Systems and Technologies Private Limited	-	-	0.14	-	-	-	-	-	-
Piramal Critical Care Limited	-	-	-	-	932.69	840.82	-	-	-
PEL Pharma Inc	-	-	-	-	324.41	292.46	-	-	-
Convergence	-	-	-	-	-	58.65	-	-	-

*Note: The figures represented in the above disclosures, with respect to the financial year ended March 31, 2022 have been taken from the restated financials included as comparative numbers in financial statements of Fiscal 2023*

***Related party transactions entered during the current financial year\* with regard to loans made or, guarantees given or securities provided***

*(in ₹ crores)*

Name of the Related Party	Loans made	Guarantees given	Securities Provided
Piramal Capital and Housing Finance Limited	700.00	-	-
PRL Developers Private Limited	0.71	-	-

*\*As of August 22, 2023*

## SECTION VI: ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

#### Authority for this Issue

At the meeting of the Board of Directors held on May 5, 2023, the Board of Directors approved the issuance of NCDs in one or more tranches.

Pursuant to the shareholders resolution passed at the Annual General Meeting held on August 1, 2016, our Board has been authorised to borrow any sum or sums of monies, which together with the monies already borrowed (apart from temporary loans obtained or to be obtained in the ordinary course of business), in excess of our Company's aggregate paid-up capital, free reserves and securities premium reserve of our Company, up to a limit of an outstanding aggregate value of ₹ 44,000 crores over and above the aggregate of the paid-up share capital of our Company and its free reserves as prevailing from time to time, exclusive of interest and other charges.

Further, pursuant to the scheme of arrangement by which PHL Fininvest Private Limited was amalgamated with our Company, the borrowing limit of the Company in terms of Section 180(1)(c) of the Companies Act, 2013 was deemed increased without any further act, thereby increasing the borrowing limit to ₹ 46,100.75 crores.

This Draft Shelf Prospectus has been approved by the Administrative Committee at its meeting held on August 28, 2023. The NCDs pursuant to this Issue will be issued on terms and conditions as set out in the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue.

#### Principal terms and conditions of this Issue

The NCDs being offered as part of this Issue are subject to the provisions of the SEBI NCS Regulations, SEBI Master Circular, the relevant provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus the Application Forms, the Abridged Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, the Stock Exchanges, RBI and/or any other statutory or regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

#### Ranking of the NCDs

The NCDs would constitute secured and senior obligations of our Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall be secured by way of a *pari passu* charge by way of hypothecation of Hypothecated Property of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed and/or the Deed of Hypothecation, such that the Required Security Cover is maintained at all times until the Final Settlement Date. The NCDs proposed to be issued under this Issue and all earlier issues of debentures, bond issuances and loans outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption / repayment.

In terms of SEBI Master Circular for Debenture Trustees, our Company is required to obtain permissions or consents from or provide intimations to the prior creditors for proceeding with this Issue, if *pari passu* security is sought to be created. As a *pari passu* charge by way of hypothecation over the Hypothecated Property of the Company is being provided as security for this Issue, the Debenture Trustee has provided prior intimation to our existing creditors in whose favour any Security Interests have been created over the Hypothecated Property, for proceeding with this Issue.

#### Security

All obligations of the Company under the Transaction Documents including the Secured Obligations shall be secured by way of a first ranking *pari passu* charge by way of hypothecation of Hypothecated Property, with the Required Security Cover, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed and/or the Deed of Hypothecation. The security is estimated to be created prior to filing of the application for the listing of the NCDs with the Stock Exchanges.

Further, NCDs shall be considered as secured only if the charged asset is registered with sub-registrar, RoC, Central Registry of Securitisation Asset Reconstruction and Security Interest ("CERSAI"), Depository etc., as applicable, and is independently verifiable by the Debenture Trustee.

Pursuant to the SEBI Circular no. SEBI/HO/DDHS/P/CIR/2023/50 dated March 31, 2023, our Company has entered into the Debenture Trustee Agreement with the Debenture Trustee and proposes to complete the execution of the Debenture Trust Deed

before making the application for listing of the NCDs for the benefit of the NCD Holders, the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders, the principal amount on the NCDs on the relevant Redemption Date and also that it will pay the interest due on NCDs (inclusive of penal interest, where applicable) on the rate specified in the relevant Tranche Prospectus for each Tranche Issue.

The Debenture Trust Deed will also provide that, so long as the Security Cover Ratio is maintained at or above the Required Security Cover at all times and no Security Enforcement Event has occurred and is continuing, our Company may withdraw any portion of the Hypothecated Property and replace with another Movable Asset of the equal or greater value as Security to which the Company has a good, clear and marketable title, ensuring the Required Security Cover is maintained till the Final Settlement Date in accordance with the terms of the Transaction Documents..

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18 of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the relevant Tranche Prospectus for each Tranche Issue, till the execution of the Debenture Trust Deed and in accordance with the applicable laws.

### **Debenture Redemption Reserve**

In accordance with the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934 (“NBFCs”) that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-2020 had announced that NBFCs raising funds in public issues would be exempt from the requirement of creating a DRR.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014, notified on August 16, 2019, and as on the date of filing this Draft Shelf Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

### **Face Value**

The face value of each of the NCDs shall be ₹ 1,000.

### **NCD Holder not a shareholder**

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder, the SEBI Listing Regulations and any other applicable law.

## **Rights of the NCD Holders**

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the NCD Holders thereof any rights or privileges available to our members / shareholders including, without limitation, the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members /shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013, the NCD Holders shall be entitled to inspect a copy of the financial statements and copy of the Debenture Trust Deed at the Registered Office of our Company during business hours on a specific request made to us.
2. Subject to applicable statutory/ regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the Special Majority or with the sanction of a Special Resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/ regulatory requirements and terms of Debenture Trust Deed, in case of NCDs held in (i) dematerialized form, the person for the time being appearing in the register of beneficial owners of the Depositories; and (ii) physical form on account of re-materialization, the registered NCD Holders or in case of joint-holders, the vote of the first Debenture Holder who tenders a vote shall be accepted to the exclusion of the other joint holder or holder(s)/owner(s), either in person or by proxy, at any meeting of the concerned NCD Holders and every such NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the applicable law including SEBI NCS Regulations, SEBI Master Circular and provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Draft Shelf Prospectus the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue. The terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to this issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. Subject to RTA Master Circular, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depositories. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders.
6. Subject to compliance with RBI, NCDs can be rolled over only with the consent of the NCD Holders of at least 75% of the outstanding amount of the NCDs after providing at least 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations and other applicable law. Our Company shall redeem the NCDs of all the NCD holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Shelf Prospectus, relevant Tranche Prospectus and the Debenture Trust Deed.

## **Trustees for the NCD holders**

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holder(s) in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us with respect to NCDs. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion



deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holder(s) in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

### **Events of Default**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the Debenture Holders or with the sanction of a resolution, passed at a meeting of the Debenture Holders in the manner provided in the Debenture Trust Deed shall, give notice to the Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice, *inter alia*, if any of the events listed below and as further detailed in the Debenture Trust Deed occurs.

Notwithstanding anything to the contrary contained herein, on occurrence of any event of default specifically identified under the Debenture Trust Deed, the Debenture Holder shall be entitled, in the manner provided in the Debenture Trust Deed, to instruct the Debenture Trustee to issue notice and/or to take actions as stipulated under the Debenture Trust Deed.

The description below is indicative and a complete and detailed list of events of defaults and the terms of occurrence of such events of default and related consequences will be specified in the Debenture Trust Deed.

Indicative list of events of default:

- i. Default is committed in payment of the Redemption Amount of the NCDs as and when the same has become due and payable;
- ii. Default is committed in payment of any instalment of interest on the NCDs as and when the same has become due and payable;
- iii. Default is committed in the performance of covenants, conditions or agreements on the part of the Company in the manner provided under the Debenture Trust Deed other than any payment defaults under the Debenture Trust Deed or the other Transaction Documents;
- iv. Any information furnished or any representation and / or warranty given by the Company to the NCD Holders: (a) in this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus or any other Transaction Documents until the date of listing of the NCDs on the Stock Exchanges, is or proves to be untrue or inaccurate in any respect or omits any disclosure of fact which may make the information furnished therein, in light of circumstances under which it was furnished, false or misleading; or (b) under the Transaction Documents on an ongoing basis after the date of listing of the NCDs on the Stock Exchanges, is or proves to be misleading or incorrect in any respect or is found to be incorrect in any respect;
- v. If (a) the Company admits in writing its inability to pay its debts as they mature, or (b) it is contended by any person that the Company is unable to pay its debt and the Company has not exercised its right to contest the claim of such person, or (c) a special resolution has been passed by the shareholders for winding up of the Company or for filing an application to initiate insolvency resolution process of the Company, or (d) the Company consents to the entry of an order for relief in an involuntary proceeding under any such law, or (e) it is certified by the statutory auditors that the liabilities of the Company exceed its assets indicating the inability of the Company to function as a going concern and/or to discharge its obligations under the Debenture Trust Deed;
- vi. The Company has voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law, or has suffered any action taken for its reorganization, insolvency, liquidation or dissolution;
- vii. A resolution professional or receiver or liquidator has been appointed in respect of all or any part of the undertaking of the Company;
- viii. If the Security Cover Ratio falls below the Required Security Cover in the manner set out in the Debenture Trust Deed;
- ix. If (A) an attachment or distraint is levied on the Hypothecated Property or any part thereof; or (B) an encumbrancer, Receiver or liquidator has been appointed or allowed to be appointed to take possession of the Hypothecated Property or any part thereof;
- x. If the Company, without the consent of the NCD Holders, ceases, or threatens in writing to cease to carry on its Material Line of Business or gives notice of its intention to do so;

- xi. The occurrence of any other event or condition which leads to occurrence of a material adverse effect, as set out in the Debenture Trust Deed;
- xii. On and from the date of the Debenture Trust Deed, the Company commences, or enters into any amalgamation, reorganisation or reconstruction (other than as permitted in terms of the Debenture Trust Deed) without the prior written consent of the Debenture Trustee;
- xiii. If the Security is in jeopardy and/or there is imminent danger of the Security Cover Ratio falling below the Required Security Cover in the manner set out in the Debenture Trust Deed; and
- xiv. Any other event described as an event of default in the Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Debenture Trust Deed and the other Transaction Documents.

Any event of default shall be called by the Debenture Trustee in accordance with applicable laws including the SEBI Master Circular for Debenture Trustees and as per the terms as set out in the Debenture Trust Deed.

In accordance with the SEBI Master Circular for Debenture Trustees, post the occurrence of a “default”, the consent of the NCD Holders for entering into an inter-creditor agreement (the “ICA”)/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines ‘default’ as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

It is hereby confirmed, in case of an occurrence of a “default”, the Debenture Trustee shall abide and comply with the procedures mentioned in the SEBI Master Circular for Debenture Trustees issued by SEBI.

### **Minimum Subscription**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue as specified in the relevant Tranche Prospectus. If our Company does not receive the minimum subscription of 75% of the Base Issue within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within eight Working Days from the Issue Closing Date as specified in the relevant Tranche Prospectus, or such time as may be specified by SEBI. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including the SEBI Master Circular.

### **Market Lot and Trading Lot**

The NCDs shall be allotted in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Issue will be in electronic form multiples of one NCD. For further details of Allotment, see the “*Issue Procedure*” beginning on page 209.

## Nomination facility to NCD Holders

In accordance with Section 72 of the Companies Act, 2013 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, the sole NCD Holder or first NCD Holder, along with other joint NCD Holders (being individual(s) may nominate, in Form SH – 13, any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCDs. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in Form SH-13 any person as nominee. A person, being a nominee, becoming entitled to the NCDs by reason of the death of the NCD Holder(s) will in accordance with Rule 19 and Section 56 of Companies Act 2013, shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD except that he shall not, before being registered as a holder in respect of such NCDs, be entitled in respect of these NCDs to exercise any right conferred. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in the prescribed manner, including by way of Form SH – 14, any person to become entitled to the NCDs, in the event of his death, during the minority. A nomination shall stand rescinded upon sale/transfer/alienation of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent.

NCD Holders are advised to provide the specimen signature of the nominee to enable us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with the Section 72 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our Board, elect either:

- (a) To register himself or herself as the holder of the NCDs; or
- (b) To make such transfer of the NCDs, as the deceased holder could have done.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

NCD Holders who are holding NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Secured NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

**Since the allotment of Secured NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.**

## Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely, in whole or in part without the prior consent of the Company, in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depositories and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

For further details, see “*Issue Structure*” beginning on page 227, for the implications on the interest applicable to NCDs held by individual NCD Holders on the Record Date and NCDs held by non-individual NCD Holders on the Record Date.

NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only. The procedure for transmission of securities has been further simplified vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 Gazette Notification no. SEBI/LAD- NRO/GN/2022/80 dated April 25th, 2022.

### **Title**

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and
- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company, SEBI Listing Regulations and the relevant provisions of the Companies Act, 2013, shall apply, *mutatis mutandis* (to the extent applicable) to the NCD(s) as well.

### **Succession**

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Board of Directors or any other person authorised by our Board of Directors in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the legacy cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

### **Joint-holders**

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles of Association.

### **Procedure for re-materialisation of NCDs**

Subject to the RTA Master Circular, NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document

evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

### Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be as on the Record Date. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company, SEBI Listing Regulations and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

### Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. Pursuant to the SEBI LODR IV Amendment, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

### Period of subscription

<b>ISSUE SCHEDULE*</b>	
<b>ISSUE OPENING DATE</b>	As specified in relevant Tranche Prospectus
<b>ISSUE CLOSING DATE</b>	As specified in relevant Tranche Prospectus
<b>PAY IN DATE</b>	Application Date. The entire Application Amount is payable on Application
<b>DEEMED DATE OF ALLOTMENT</b>	The date on which the Administrative Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Administrative Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment.

\* *The Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten working days from the date of opening of the relevant Tranche Issue and subject to not exceeding thirty days from filing the relevant Tranche Prospectus with ROC) as may be decided by the Administrative Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of the relevant Tranche Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 210 of this Draft Shelf Prospectus.*

*Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Designated Intermediaries, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (ii) directly by the Designated Branches of the SCSBs or (iii) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchanges. It is clarified that the Applications not uploaded in the Stock Exchanges platform would be rejected.*

*Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchanges in accordance with the SEBI Master Circular. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis.*

## Taxation

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than ₹5,000 and interest is paid by way of account payee cheque). For further details, please see Section titled “*Statement of Possible Tax Benefits Available to the Debentures Holders Under the Applicable Laws in India*” on page 89.

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

- a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company/ Registrar, at least 7 days before the relevant record date for payment of debenture interest;
- b. When the resident Debenture Holder with Permanent Account Number (‘PAN’) (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be Nil. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
- c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be Nil.

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.

Further, eligible NCD Holders other than resident individuals or resident HUF investors, the following documents should be submitted with the Company/ Registrar, atleast 7 days before the relevant record date for payment of debenture interest (i) copy of registration certificate issued by the regulatory authority under which the investor is registered, (ii) self-declaration for non-deduction of tax at source, and (iii) such other document a may be required under the Income Tax Act, for claiming non-deduction / lower deduction of tax at source and/or specified by the Company/ Registrar, from time to time.

The aforesaid documents, as may be applicable, should be submitted atleast 7 days before the relevant Record Date for payment of interest on the NCDs quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The aforesaid documents for claiming non-deduction or lower deduction of tax at source, as the case may be, shall be submitted to the Registrar as per below details or any other details as may be updated on the website of the Issuer at [www.piramal.com](http://www.piramal.com) or the Registrar at [pel.ncd@linkintime.co.in](mailto:pel.ncd@linkintime.co.in), from time to time.

## Registrar to the Issue

### Link Intime India Private Limited

C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India

**Tel:** +91 8108114949

**Facsimile:** +91 22 4918 6195

**Email:** [pel.ncd@linkintime.co.in](mailto:pel.ncd@linkintime.co.in)

**Investor Grievance Email:** [pel.ncd@linkintime.co.in](mailto:pel.ncd@linkintime.co.in)

**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)

**Contact Person:** Mr. Sumeet Deshpande

**SEBI Registration No.:** INR000004058

**CIN:** U67190MH1999PTC118368

**Link for availability of formats of declaration/ certificates and online submission of tax exemption forms:**  
<https://web.linkintime.co.in/BONDSformreg/BONDS-submission-of-form-15g-15h.html>

The investors need to submit Form 15H/ 15G/certificate in original from the Assessing Officer for each Fiscal during the currency of the NCD to claim non-deduction or lower deduction of tax at source from interest on the NCD. Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Please also see, "*Statement of Possible Tax Benefits Available to the Debentures Holders Under the Applicable Laws in India*" on page 89. Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "*Issue Procedure*" on page 232, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

*Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.*

### **Maturity and Redemption**

As specified in the relevant Tranche Prospectus.

### **Put / Call Option**

As specified in the relevant Tranche Prospectus.

### **Deemed Date of Allotment**

The date on which the Administrative Committee approves the Allotment of the NCDs for the Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the deemed date of allotment.

### **Application in the Issue**

NCDs being issued through the relevant Tranche Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

In terms of Regulation 7 of SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the terms of Section 8(1) of the Depositories Act, but subject to SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("SEBI LODR IV Amendment") and SEBI circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022 dated January 25, 2022, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

### **Application Size**

Each Application should be for a minimum of 10 NCDs across all series collectively and in multiples of one NCD thereafter (for all series of NCDs taken individually or collectively), as specified in the relevant Tranche Prospectus.

Applicants can apply for any or all series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

## **Terms of Payment**

The entire issue price per NCD, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of the Shelf Prospectus and the relevant Tranche Prospectus.

## **Record Date**

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 (fifteen) days prior to the interest payment date, and/or Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date.

## **Interest/Premium and Payment of Interest/ Premium**

### **Interest/ Coupon on NCDs**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Payment of Interest**

Amount of interest payable shall be rounded off to the nearest Rupee. In the event, the interest/payout of total coupon/redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

### **Basis of payment of Interest**

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to the relevant Tranche Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/ yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

### **Mode of payment of Interest to NCD Holders**

Payment of interest will be made (i) in case of NCDs in dematerialised form, the persons who, for the time being appear in the register of beneficial owners of the NCDs as per the Depositories, as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, to the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI.

### **Manner of Payment of Interest / Refund / Redemption\***

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below\*:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Neither the Lead Managers, nor our Company, nor the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.



In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see “Terms of the Issue – Procedure for Re-materialization of NCDs” on page 216.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

*\*In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant’s bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants’ banks have been assigned the Indian Financial System Code (“IFSC”), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) here in above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

6. The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

### **Printing of bank particulars on interest / redemption warrants**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the Depositories. In case of NCDs held in physical form on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through speed post, registered post.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

### **Loan against NCDs**

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

### **Buy Back of NCDs**

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs from the open market or otherwise, upon such terms and conditions as may be decided by our Company. Such buy-back of the NCDs may be at par or at discount / premium to the face value at the sole discretion of the Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, held, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Where the Company has repurchased any such NCDs, if permissible under and subject to the provisions of the Companies Act, 2013, rules and regulations thereunder and other Applicable Law as may be amended from time to time, the Company shall have and shall be deemed always to have had the right to keep such NCDs alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to reissue such NCDs, either by reissuing the same or by issuing other debentures in their place, in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

### **Form of allotment and Denomination of NCDs**

In case of Secured NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of Secured NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, as specified in the Prospectus, by a Secured NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held under each Option. It is however distinctly to be understood that the Secured NCDs pursuant to this issue shall be traded only in demat form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Secured NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of Secured NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Secured NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchanges shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in this Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD. For details of allotment see "*Issue Procedure*" beginning on page 232.

### **Procedure for Redemption by NCD holders**

The procedure for redemption is set out below:

#### ***NCDs held in physical form on account of rematerialisation***

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by

the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment. We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled. Also see the para “*Payment on Redemption*” given below.

#### ***Secured NCDs held in electronic form***

No action is required on the part of Secured NCD holder(s) at the time of redemption of NCDs.

#### **Payment on Redemption**

The manner of payment of redemption is set out below:

#### ***NCDs held in physical form on account of rematerialisation***

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

#### ***NCDs held in electronic form***

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories’ records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

#### **Right to reissue NCD(s)**

Subject to the provisions of the Companies Act, 2013 and applicable law, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

#### **Transfer/ Transmission of NCDs**

#### **For NCDs held in physical form on account of rematerialisation**

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus and all other applicable laws. The provisions relating to transfer and

transmission and other related matters in respect of our shares contained in the Articles and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, *mutatis mutandis* (to the extent applicable to debentures) to the NCDs as well. In respect of the NCDs held in physical form on account of rematerialisation, a common form of transfer shall be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

#### **For NCDs held in electronic form**

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

#### **Common form of transfer**

Our Company undertakes that there shall be a common form of transfer for the NCDs, if applicable and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

#### **Sharing of information**

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

#### **Notices**

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

#### **Issue of duplicate NCD certificate(s)**

If NCD certificate(s), issued pursuant to rematerialisation, is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

#### **Lien**

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD holders or deposits held in the account of the NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD holders to the Company, subject to applicable law.

## **Lien on pledge of NCDs**

Our Company may, at its discretion, note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

## **Future Borrowings**

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency by creating a first ranking exclusive, first/ second/ pari-passu or subservient charge on any assets, so long as (i) the Security Cover Ratio is maintained at or above the Required Security Cover in the manner set out in the Transaction Documents; (ii) no event of default has occurred and is continuing; and (iii) consents and approvals and other conditions, as may be required under Applicable Law or financing agreements, including intimations, if any, required thereunder are obtained or provided, as the case may be.

## **Illustration for guidance in respect of the day count convention and effect of holidays on payments.**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular will be as disclosed in the relevant Tranche Prospectus.

## **Payment of Interest**

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see “*Issue Procedure - Rejection of Applications*” beginning on page 255.

## **Listing**

The NCDs proposed to be offered in pursuance of this Draft Shelf Prospectus will be listed on the BSE and NSE. Our Company has received an ‘in-principle’ approval from BSE by way of its letter bearing reference number [●] dated [●] and from NSE by way of its letter bearing reference number [●] dated [●]. The application for listing of the NCDs will be made to the Stock Exchanges at an appropriate stage. For the purposes of this Issue, BSE shall be the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Shelf Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

## **Guarantee/Letter of comfort**

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

## **Monitoring and Reporting of Utilisation of Issue Proceeds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of the Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilisation of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue

## **Pre-Issue Advertisement**

Subject to Regulation 30(1) of the SEBI NCS Regulations, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with the Section 30 of the Companies Act. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with RoC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

**Pre-closure**

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Closing Date of respective tranche issue, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size of the respective tranche issue. Our Company shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement has been given.

**Recovery Expense Fund**

Our Company has created a recovery expense fund in the manner as specified in the SEBI Master Circular for Debenture Trustees and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

## ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in “*Terms of the Issue*” beginning on page 210.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Debt Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the Term Sheet are as follows:

<b>Issuer</b>	Piramal Enterprises Limited
<b>Type of instrument</b>	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
<b>Nature of the Instrument</b>	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
<b>Mode of the Issue</b>	Public Issue
<b>Mode of Allotment*</b>	In dematerialised form
<b>Mode of Trading*</b>	NCDs will be traded in dematerialised form
<b>Lead Managers</b>	A. K. Capital Services Limited, JM Financial Limited, Nuvama Wealth Management Limited ( <i>formerly known as Edelweiss Securities Limited</i> ) and Trust Investment Advisors Private Limited
<b>Debenture Trustee</b>	IDBI Trusteeship Services Limited
<b>Depositories</b>	NSDL and CDSL
<b>Registrar to the Issue</b>	Link Intime India Private Limited
<b>Issue</b>	Public issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of our Company of Face Value of ₹1,000 each for an amount aggregating up to ₹ 3,000 Crores (“ <b>Shelf Limit</b> ”) (“ <b>Issue</b> ”), on the terms and in the manner set forth herein.
<b>Minimum Subscription</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Seniority</b>	Senior
<b>Issue Size</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Base Issue Size</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Option to Retain Oversubscription / Green shoe option (Amount)</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Eligible Investors</b>	Please see “ <i>Issue Procedure –Who can apply?</i> ” on page 233.
<b>Objects of the Issue / Purpose for which there is requirement of funds</b>	Please see “ <i>Object of the Issue</i> ” on page 86.
<b>Details of Utilization of the Proceeds</b>	Please see “ <i>Objects of the Issue</i> ” on page 86.
<b>Coupon rate</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Coupon Payment Date</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Coupon Type</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Coupon reset process</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Interest Rate on each category of investor</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Step up/ Step Down Coupon rates</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Coupon payment frequency</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Day count basis</b>	Actual / Actual
<b>Interest on application money</b>	NA
<b>Default Coupon rate</b>	Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws. Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.
<b>Tenor</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Redemption Date</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Redemption Amount</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.

<b>Redemption Premium/ Discount</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Face Value</b>	₹ 1,000 per NCD.
<b>Issue Price</b>	₹ 1,000 per NCD.
<b>Discount at which security is issued and the effective yield as a result of such discount</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Transaction Documents</b>	Transaction Documents shall mean the Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, the Deed of Hypothecation and other documents, if applicable, the letters issued by the Rating Agency, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. For further details see, “ <i>Material Contracts and Document for Inspection</i> ” on page 379
<b>Put option date</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Put option price</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Call option date</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Call option price</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Put notification time</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Call notification time</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Minimum Application size and in multiples of NCD thereafter</b>	₹10,000 (10 NCDs) and in multiple of ₹1,000 (1 NCD) thereafter
<b>Market Lot / Trading Lot</b>	One NCD
<b>Pay-in date</b>	Application Date. The entire Application Amount is payable on Application.
<b>Credit Ratings / Rating of the instrument</b>	The NCDs proposed to be issued pursuant to this Issue have been rated [ICRA]AA (Stable) (Double A; Outlook: Stable) by ICRA Limited for an amount of up to ₹ 3,000 crores by way of its letter dated June 27, 2023 and rated CARE AA; Stable (Double A; Outlook: Stable) by CARE Ratings Limited for an amount of up to ₹ 3,000 crores by way of its letter dated August 1, 2023.
<b>Stock Exchange/s proposed for listing of the NCDs</b>	BSE Limited and National Stock Exchange of India Limited.
<b>Listing and timeline for listing</b>	The NCDs are proposed to be listed on BSE and NSE. The NCDs shall be listed within five Working Days from the date of Issue Closure for each Relevant Tranche Issue. NSE has been appointed as the Designated Stock Exchange i.e. within the timelines specified in the SEBI NCS Master Circular.  For more information see “ <i>Other Regulatory and Statutory Disclosures</i> ” on page 302.
<b>Modes of payment</b>	Please see “ <i>Issue Structure – Terms of Payment</i> ” on page 230.
<b>Issue opening date</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Issue closing date**</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Date of earliest closing of the issue, if any</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Record date</b>	15 (fifteen) days prior to the interest payment date, and/or Redemption Date for NCDs issued under any relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date
<b>Settlement mode of instrument</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>All covenants of the Issue (including side letters, accelerated payment clause, etc.)</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue and the Debenture Trust Deed. Any covenants later added shall be disclosed on the websites of the Stock Exchanges, where the NCDs are proposed to be listed.
<b>Issue Schedule</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue.
<b>Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge</b>	A first ranking pari passu charge by way of hypothecation over Hypothecated Property, with the Required Security Cover, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed and/or the Deed of Hypothecation



(pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation	
<b>Replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed the Shelf Prospectus or Relevant Tranche Prospectus</b>	As specified in the relevant Transaction Documents including the relevant Tranche Prospectus, Debenture Trust Deed and/or the Deed of Hypothecation
<b>Security Cover</b>	Our Company shall maintain a Required Security Cover at all times until the Final Settlement Date.
<b>Condition precedent to the Issue</b>	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions precedents to the Issue.
<b>Condition subsequent to the Issue</b>	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions subsequent to the Issue.
<b>Events of default</b>	Please see <i>“Terms of the Issue – Events of Default”</i> on page 213.
<b>Creation of recovery expense fund</b>	Our Company has maintained the required amount towards recovery expense fund in the manner as specified in the SEBI Master Circular for Debenture Trustees and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding transfer of amount toward such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
<b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in term sheet and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy within the cure period, as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of default.  Please see <i>“Terms of the Issue - Events of default”</i> on page 213.
<b>Deemed date of Allotment</b>	The date on which the Administrative Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Administrative Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.
<b>Roles and responsibilities of the Debenture Trustee</b>	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, Companies Act, the simplified listing agreement(s), and the Debenture Trust Deed, each as amended from time to time. Please see section titled <i>“Terms of the Issue- Trustees for the NCD Holders”</i> on page 212.
<b>Risk factors pertaining to the Issue</b>	Please see section titled <i>“Risk Factors”</i> on page 20.
<b>Governing law and Jurisdiction</b>	Any dispute in relation to NCDs shall be governed by laws of India and courts and tribunals in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the proposed issuance of NCDs.
<b>Working day convention / Day count convention / Effect of holidays on payment</b>	Working Day means all days on which commercial banks in Mumbai are open for business. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the dates of the future interest payments would continue to be as per the originally stipulated schedule.  Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest on the NCDs until but excluding the date of such payment.
<b>Covenants (including cross default clause)</b>	As specified in the Debenture Trust Deed and the relevant Tranche Prospectus and Debenture Trust Deed for each Tranche Issue.

\* In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.

**\*\* Note:** *The Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten working days from the date of opening of the relevant Tranche Issue and subject to not exceeding thirty days from filing the relevant Tranche Prospectus with ROC) as may be decided by the Administrative Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of the relevant Tranche Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled “Issue Related Information” on page 210 of this Draft Shelf Prospectus.*

*For the list of documents executed/ to be executed, please see “Material Contracts and Documents for Inspection” on page 379.*

*While our Company shall maintain a Required Security Cover at all times until the Final Settlement Date, it is the duty of the Debenture Trustee to monitor the security cover is maintained at all times, however, the recovery of Required Security Cover shall depend on the market scenario prevalent at the time of enforcement of the security.*

*Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar or Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.*

The specific terms of each instrument to be issued pursuant to an Issue shall be as set out in the relevant Tranche Prospectus for each Tranche Issue. Please see “Issue Procedure” on page 232 for details of category wise eligibility and allotment in the Issue.

**Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.**

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.**

For further details, see “Issue Procedure” beginning on page 232.

#### **Specified Terms of the NCDs**

As specified in the relevant Tranche Prospectus for each Tranche Issue

#### **Specified Terms of NCDs - Interest and Payment of Interest**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

#### **Terms of Payment**

The entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms as specified in “Terms of the Issue” on page 210.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

#### **Day Count Convention**

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Master Circular.

#### **Effect of holidays on payments**

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.**

For further details, see the section titled “*Issue Procedure*” on page 232.

## ISSUE PROCEDURE

*This section applies to all Applicants. Pursuant to the SEBI Master Circular, all Applicants are required to apply for in the Issue through the ASBA process and an amount equivalent to the full Application Amount as mentioned in the Application Form will be blocked by the Designated Branches of the SCSBs. Further, pursuant to the SEBI Master Circular, SEBI has provided the UPI Mechanism as a payment mechanism for the Issue, wherein a UPI Investor, may submit the Application Form with a SCSB or a Designated Intermediary or through the app/web based interface platform of the Stock Exchanges and use their bank account linked UPI ID for the purpose of blocking of funds, if the Application being made is for a value of ₹5 lakhs or less. The UPI Mechanism is applicable for public issue of debt securities which open for subscription on or after January 1, 2021. Accordingly, payment through the UPI Mechanism shall be available for the Issue. SEBI, vide the SEBI Master Circular has also introduced an additional mode for application in public issues of debt securities through an online (app/web) interface to be provided by the Stock Exchanges. In this regard, SEBI has also stipulated that the Stock Exchanges formulate and disclose the operational procedure for applying through the app/web based interface developed by them for making applications in public issues through the Stock Exchanges' website. Since, BSE is the Designated Stock Exchange for the Issue, BSE's online platform BSE Direct, shall be available to UPI Investors to make an application under the UPI Mechanism, in accordance with the operational procedures notified by BSE vide notifications dated December 28, 2020 and May 19, 2022.*

*Applicants should note that they may submit their Application Forms (including in cases where Applications are being made under the UPI mechanism) at (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e. to the respective Members of the Consortium at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations or (iii) through BSE Direct, the app and/or web based interface/platform of the Stock Exchanges, as applicable. ASBA Applicants must ensure that their respective ASBA Accounts can be blocked by the SCSBs, in the relevant ASBA accounts for the full Application Amount. For further information, please see "Issue Procedure - Submission of Completed Application Forms" on page 253.*

*Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Prospectus.*

*Please note that this section has been prepared based on the SEBI Master Circular and other related circulars. Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value up to UPI Application Limit (to participate in the public issue for an amount up to ₹ 5,00,000 for issue of debt securities pursuant to the SEBI Master Circular, or any other investment limit, as applicable and prescribed by SEBI from time to time) submitted through the app/web interface of the Stock Exchanges or through intermediaries (Syndicate Members, Registered Stockbrokers, Registrar and Transfer agent and Depository Participants).*

*Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Shelf Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.*

*Further, our Company, the Lead Managers and the Members of the Syndicate do not accept any responsibility for any adverse occurrence consequent to the implementation of the UPI Mechanism for application in the Issue.*

**PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGES. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS, RELEVANT TRANCHE PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.**

**THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS / DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH TRADING MEMBERS / DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBER/ DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.**

*For purposes of this Issue, the term "Working Day" means all days on which commercial banks in Mumbai are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between*

*the bid/ issue closing date and the listing of the NCDs on the Stock Exchanges, working day shall mean all trading days of the Stock Exchanges, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.*

The information below is given for the benefit of the Investors. Our Company and the Members of Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Shelf Prospectus.

## **PROCEDURE FOR APPLICATION**

### **Availability of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms.**

Physical copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, relevant Tranche Prospectus for each Tranche Issue together with Application Forms may be obtained from:

- (a) Our Company's Registered Office and Corporate Office;
- (b) Offices of the Lead Manager/Consortium Members;
- (c) Offices of the Registrar to the Issue
- (d) the CRTA at the Designated RTA Locations;
- (e) the CDPs at the Designated CDP Locations;
- (f) Trading Members at the Broker Centres; and
- (g) Designated Branches of the SCSBs.

Electronic copies of this Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus for each Tranche Issue together with the downloadable version of the Application Form will be available on the websites of the Lead Managers, the Stock Exchanges, SEBI and the designated branches of the SCSBs and the Members of the Consortium at the Specified Locations.

Electronic Application Forms may be available for download on the website of the Stock Exchanges and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the website of the Stock Exchanges. Our Company may also provide Application Forms for being downloaded and filled at such website as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

**Trading Members of the Stock Exchanges can download Application Forms from the website of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.**

UPI Investors making an Application upto ₹ 5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

### **Who can apply?**

The following categories of persons are eligible to apply in this Issue:

#### **Category I (Institutional Investor)**

- Resident public financial institutions as defined in Section 2(72) of the Companies Act, 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds of minimum corpus of ₹ 2,500 lakhs, pension funds of minimum corpus of ₹ 2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;

- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State Industrial Development Corporations;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India;
- Mutual funds registered with SEBI; and
- Systemically Important NBFCs registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements.

#### **Category II (Non Institutional Investors)**

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013;
- Statutory bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Association of persons;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and
- Any other incorporated and/ or unincorporated body of persons.

#### **Category III\*# (High Net Worth Individual Investors)**

- Resident Indian individuals; and
- Hindu undivided families through the Karta.

\* applications aggregating to a value not more than and including ₹ 10 lakhs.

# applications upto a value of ₹5 lakhs can be made under the UPI Mechanism.

*For Applicants applying for NCDs, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID Client ID and where applicable the UPI ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Members of the Syndicate or the Trading Members, as the case may be.*

#### **Category IV (Retail Individual Investors)**

Resident Indian Individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10 lakhs across all options of NCDs in this Issue and shall include Retail Individual Investors who have submitted bid for an amount not more than UPI Application Limit (i.e. up to ₹5 lakhs for issues of debt securities pursuant to SEBI circular SEBI/HO/DDHS/P/CIR/2022/0028 dated March 8, 2022 or any other investment limit, as applicable and prescribed by SEBI from time to time) in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism.

**Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum**

**number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.**

The Lead Managers and its respective associates and affiliates are permitted to subscribe in the Issue.

#### **Who are not eligible to apply for NCDs?**

The following categories of persons, and entities, shall not be eligible to participate in this Issue and any Application from such persons and entities are liable to be rejected:

- i. Minors without a guardian name\*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- ii. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- iii. Persons resident outside India and other foreign entities;
- iv. Foreign Institutional Investors;
- v. Foreign Portfolio Investors;
- vi. Non-Resident Indians;
- vii. Foreign Venture Capital Funds;
- viii. Qualified Foreign Investors;
- ix. Overseas Corporate Bodies\*\*; and
- x. Persons ineligible to contract under applicable statutory/regulatory requirements.

\* Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872.

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges.

\*\* The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.

Please see "*Issue Procedure - Rejection of Applications*" on page 255 for information on rejection of Applications.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus

#### **Method of Application**

In terms of SEBI Master circular, an eligible investor desirous of applying in the Issue can make Applications only through the ASBA process only.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a retail individual investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the SEBI Master Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI Master Circular

Applicants should submit the Application Form only at the bidding centres, *i.e.* to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

For RIBs using UPI Mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Designated Intermediaries (other than SCSBs) shall not accept any Application Form from a Retail Individual Bidder who is not applying using the UPI Mechanism. For Retail Individual Bidders using UPI Mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to Retail Individual Bidders for blocking of funds. An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, our Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchanges.

In terms of the SEBI Master Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. **Through Self-Certified Syndicate Bank (SCSB) or intermediaries** (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)
  - a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, *i.e.* investor’s bank. For such applications, the existing process of uploading of bid on the Stock Exchanges bidding platform and blocking of funds in investors account by the SCSB would continue.
  - b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchanges bidding platform and forward the application form to a branch of a SCSB for blocking of funds.



- c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs.5 Lakh or less. The intermediary shall upload the bid on the Stock Exchanges bidding platform. The application amount would be blocked through the UPI mechanism in this case.

## 2. Through Stock Exchanges

- a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchanges (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism.
  - b. The Stock Exchanges have extended their web-based platforms i.e., 'BSEDirect' and 'NSE goBID' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to Rs. 5 Lakh. To place bid through 'BSEDirect' and 'NSE goBID' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct/ NSE goBID.
  - c. An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: <https://www.bsedirect.com>; and NSE: <https://www.nseindiaipo.com>
  - d. The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications
1. To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 available at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60>, and <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61>. Similar circulars by NSE can be found here: <https://www1.nseindia.com/content/circulars/IPO46907.zip> and <https://www1.nseindia.com/content/circulars/IPO46867.zip>. Further, NSE has allowed its 'GoBid' mobile application which is currently available for placing bids for non-competitive bidding shall also be available for applications of public issues of debt securities.

### Application process through physical Application Form

Applicants opting for the physical mode of Application process, should submit the Application Form (including for Applications under the UPI Mechanism) only at the Collection Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the registered broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available on SEBI's website for *Applications under the UPI Mechanism* at <https://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants (including for Applications under the UPI Mechanism), shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit the Application Forms (except Application Forms submitted by UPI Investors under the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB, with the SCSB and can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. For Applicants submitting the physical application Form who wish to block the funds in their respective UPI linked bank account through the UPI Mechanism, post uploading of the details of the Application Forms into the online platform of the Stock Exchanges, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Investors for blocking of funds.

Designated Intermediaries (other than SCSBs) shall not accept any Application Form from a Retail Individual Bidder who is not applying using the UPI Mechanism. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed

that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

**In terms of the SEBI Master Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:**

1. ***Through Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)***
  - (a) An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchanges bidding platform and blocking of funds in investors account by the SCSB would continue.
  - (b) An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchanges bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
  - (c) An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs.5 lac or less. The intermediary shall upload the bid on the Stock Exchanges bidding platform. The application amount would be blocked through the UPI mechanism in this case.
2. ***Through Stock Exchanges***
  - (a) An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchanges (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism.
  - (b) The Stock Exchanges have extended their web-based platforms i.e., 'BSEDirect' and 'NSE goBID' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to Rs. 5 Lac. To place bid through 'BSEDirect' and 'NSE goBID' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct/ NSE goBID.
  - (c) An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: <https://www.bsedirect.com>; and NSE: <https://www.nseindiaipo.com>.
  - (d) The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications
  - (e) To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 available at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60>, and <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61>. Similar circulars by NSE can be found here: x <https://www1.nseindia.com/content/circulars/IPO46907.zip> x <https://www1.nseindia.com/content/circulars/IPO46867.zip> Further, NSE has allowed its 'GoBid' mobile application which is currently available for placing bids for non-competitive bidding shall also be available for applications of public issues of debt securities.

#### **OPERATIONAL INSTRUCTIONS AND GUIDELINES**

Certain relevant operational instructions and guidelines, for using BSE Direct to make an Application in the Issue, are listed below:

- a. **General Instructions –**
  - i. Applicants are required to preregister themselves with BSE Direct. For the detailed process of registration and Applications under the BSE Direct Platform, see "*Issue Procedure - Process of Registration and Application on BSE Direct Platform/Mobile App*" on page 238.
  - ii. Applicants can access BSE Direct platform via internet at <https://www.bsedirect.com> or through the mobile app (on android phones only) called BSE Direct which can be downloaded from the Google Playstore.

- iii. The Stock Exchanges shall make this Draft Shelf Prospectus and Issue related details available on its website under the 'Forthcoming Issues' a day prior to the Issue Opening Date and the details of the Issue shall also be made available on the issue page of BSE Direct.
- iv. The BSE Direct platform, offers a facility of making a direct application through the web based platform or the mobile app with a facility to block funds upto ₹5 lakhs through the UPI Mechanism.
- v. The mode of allotment for Applications made through the BSE Direct platform, shall mandatorily be in dematerialised form only.

**b. Order Entry Parameters -**

Pursuant to the SEBI Master Circular and other relevant SEBI circulars, the following operating parameters shall be made available for making an Application in the Debt IPO Segment. Applicants are requested to note the following general instructions:

- i. The Issue symbol will remain same across all series/options;
- ii. Applicants can enter order for a single Application having different series within one order entry screen.
- iii. Before submission of the Application, the Applicant should have created an UPI ID with a maximum length of 45 characters including the handle (example: investorId@bankname)

Applicants can only submit an Application with the UPI Mechanism as the payment mode. The Applications which are successfully accepted will be allotted a bid id or order no.

**c. Modification and cancellation of orders**

- i. An Applicant shall not be allowed to add or modify the Application except for modification of either DP ID/Client ID, or PAN but not both.
- ii. The Applicant can withdraw the bid(s) submitted under a single Application and reapply.
- iii. The part cancellation of bid in a single Application will not be permitted.

For details of the process post the Application details being entered into the bidding platform of the Stock Exchanges, see "*Issue Procedure – Submission of Applications - for Applications under the UPI Mechanism*" on page 245.

**d. Re-initiation of Bids**

- i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation.
- ii. The facility of re-initiation/ resending the UPI Mandate shall be available only till 5 pm on the day of bidding.
- iii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

**e. Acceptance of the UPI Mandate**

- i. An Applicant will be required to accept the UPI Mandate by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchanges platform except for the last day of the Issue Period or any other modified closure date of the Issue Period in which case, they shall be required to accept the UPI Mandate by 5:00 pm of the next Working Day. As the Company reserves the right to close the issue prior to the Issue Closing Date, hence is advisable that the Applicants should accept the UPI mandate by 5:00 pm on the Working Day subsequent to date of submission of the Application on BSE Direct.
- ii. The transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.
- iii. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.
- iv. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

- v. Please note that the display of status of acceptance of the UPI Mandate/fund blocking shall be solely based on the data received from the Sponsor Bank.

f. **Order book and T+1 Modification**

- i. The order book will be available in the Debt module of the Stock Exchanges in real time basis.
- ii. An Applicant shall be allowed to modify selected fields such as their DP ID/Client ID or PAN (Either DP ID/Client ID or PAN can be modified but not both) on T+1 day for a validated bid (T being issue closing date).

g. **Applicant's responsibilities**

- i. Applicants shall check the Issue details before making an Application.
- ii. Applicants shall only be able to make an Application for an amount upto ₹5 lakhs.
- iii. Applicants shall have only UPI as the payment mechanism with ASBA.
- iv. Applicants must check and understand the UPI Mandate acceptance and the fund blocking process before making an Application.
- v. The receipt of SMS for UPI Mandate acceptance depends upon the system response/ integration of UPI on the Debt Public Issue System.
- vi. Applicants must check their respective mobiles for an SMS or the mobile app, associated with the UPI ID linked bank account, for receipt of the UPI Mandate.
- vii. Applicants must accept the UPI Mandate request within stipulated timelines.
- viii. Applicants must note that the transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.
- ix. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.
- x. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

**Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers, the Registrar to the Issue or the Stock Exchanges shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons**

***Process of Registration and Application on BSE Direct Platform/Mobile App***

a. **Process of Registration for Investor**

- i. To make an Application on the BSE Direct platform/ mobile app an Applicant is required to register themselves with the platform/mobile app.
- ii. At the time of registration, the Applicant shall be required to select the option of "New Registration Without Broker" and enter their respective PAN along with details of their demat account (i.e., DP ID and Client ID) and UPI ID.
- iii. The Stock Exchanges shall verify the PAN and demat account details entered by the Applicant with the Depository, within one Working Day.
- iv. The Applicant shall be required to accept the terms and conditions and also enter the correct 'One Time Password' ("OTP") sent on their respective mobile phones and email IDs to complete the registration process.
- v. Upon the successful OTP confirmation, the Applicant's registration request shall be accepted, and a reference number shall be provided to them for checking their registration status.

- vi. At the time of demat account verification, the Stock Exchanges shall also validate Applicant's client type (investor category) present in demat account.
- vii. An Applicant's registration shall be rejected if an incorrect investor category and/or demat account details have been entered.
- viii. Post the verification of the demat account, the Stock Exchanges shall activate the Applicant's profile for making an Application and also provide a user ID (which is PAN) and password for login onto the BSE Direct platform.
- ix. An Applicant shall be able to view their respective details including their demat account, by accessing the tab 'My Profile'.
- x. To modify their details, an Applicant must login to the BSE Direct portal and click on 'My profile'.
- xi. The Stock Exchanges shall revalidate the modified details with Depository.
- xii. No modification request shall be accepted during the Issue Period if the Applicant has made an Application in the Issue.
- xiii. To re-generate a new password, the Applicant can use the 'Forget Password' option.
- xiv. Existing investors who are already registered for "GSec AND T-Bills investment", can also use the facility for applying in the Issue by using the UPI Mechanism for blocking of funds for Applications with a value upto ₹5 lakhs.

**b. Process to place Bid via BSE Direct platform/ mobile app**

- i. The Issue, during the Issue Period, shall be opened for subscription and will be available for making an Application through the BSE Direct platform/ mobile app.
- ii. Upon successful login, an Applicant can select the Issue to make an Application.
- iii. The details of PAN and DP ID and Client ID will be populated based on the registration done by the Applicant.
- iv. Before submission of the Application, an Applicant would be required to create a UPI ID with a maximum length of 45 characters including the handle (Example: investorId@bankname)
- v. An Applicant shall be required to enter a valid UPI ID, in the UPI ID field.
- vi. An Applicant must select the series/option along with number of NCDs being applied for in the Issue.
- vii. Applicants must check the Issue details before making an Application.
- viii. Applicant will only be able to make an Application for an amount of upto ₹5 lakhs.
- ix. Applicants shall only have UPI as a payment mechanism with ASBA.
- x. Applicants must check and understand the UPI Mandate acceptance and blocking of fund process before making an Application.

For details of the blocking process post the Application details being entered into the bidding platform of the Stock Exchanges, see "*Issue Procedure – Submission of Applications - for Applications under the UPI Mechanism*" on page 245.

**c. SMS from the Exchange**

- i. Post completion of the blocking process, the Stock Exchanges shall send an SMS to the Applicant regarding submission of the Application at the end of day, during the Issue Period and for the last day of the Issue Period, the SMS shall be sent the next Working Day.

**d. Modification and Cancellation of Orders**

- i. An Applicant shall not be allowed to add or modify the bid(s) of the Application except for modification of either DP ID/Client ID, or PAN but not both.

- ii. An Applicant can withdraw the bid(s) submitted under a single Application and reapply. However, part cancellation of bid in a single Application is not permitted.

e. **Re-initiation of Bid**

- i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation, after the lapse of reasonable time.
- ii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

For details of the process of the UPI Mandate acceptance, see “*Issue Procedure – Operational Instructions and Guidelines - Acceptance of the UPI Mandate*” on page 259.

**Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchanges shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons. Sine the process of making an Application through BSE Direct is based on notifications issued by the Stock Exchanges, Applicants are requested to check the website of the Stock Exchanges for any further notifications by the Stock Exchanges amending, supplementing, updating or revising the process of Applications through BSE Direct.**

#### **APPLICATIONS FOR ALLOTMENT OF NCDs**

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

##### **Applications by Mutual Funds**

Pursuant to the SEBI master circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, (i) a certified copy of their SEBI registration certificate, (ii) the trust deed in respect of such mutual fund (iii) a resolution authorising investment and containing operating instructions and (iv) specimen signatures of authorized signatories must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

##### **Application by Systemically Important Non-Banking Financial Companies**

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by a board resolution authorising investments, memorandum and articles of association/charter of constitution, power of attorney, specimen signature of authorised signatories, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s). **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

##### **Application by scheduled commercial banks, co-operative banks and regional rural banks**

Commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required, along with Power of Attorney / Letter of Authorisation, to be attached to the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

**Pursuant to SEBI Master Circular, SCSBs making Applications on their own account using ASBA Facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely**

**for the purpose of making Application in public issues and clear demarcated funds should be available in such account for applications.**

#### **Application by Insurance Companies**

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority of India (“**IRDAI**”), (i) a certified copy of certificate of registration issued by IRDAI, (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories must be lodged along with Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time including the IRDA (Investment) Regulations, 2000.

#### **Application by Indian Alternative Investment Funds**

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by (i) certified true copies of SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment**

In case of Applications made by ‘Associations of Persons’ and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or **regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (iii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of

authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by the Income Tax authorities. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications by National Investment Fund**

The Application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

#### **Companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008**

The Application must be accompanied by certified true copies of certified copy of i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non- Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

#### **APPLICATIONS FOR ALLOTMENT OF NCDs**

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Shelf Prospectus and relevant Tranche Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our Directors, affiliates, associates and their respective directors and officers, the Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but not uploaded by Trading Members, registered brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs or failure to block the Application Amount under the UPI Mechanism. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.



The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<https://www.sebi.gov.in>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<https://www.sebi.gov.in>) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com). The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### ***Submission of Applications***

Applications can be submitted through either of the following modes:

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchanges. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchanges.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchanges. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

- (b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at <https://www.sebi.gov.in>).
- (c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.
- (d) A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges. Post which:

- (a) ***for Applications other than under the UPI Mechanism*** - the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at <https://www.sebi.gov.in>). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. **If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.
- (b) ***for Applications under the UPI Mechanism*** – once the Application details have been entered in the bidding platform through Designated Intermediaries or BSE Direct, the Stock Exchanges shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and

Demat account details and send response to the Stock Exchanges which would be shared by the Stock Exchanges with the relevant Designated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchange's platform, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchanges shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by our Company. The Sponsor Bank shall then initiate a UPI Mandate Request on the Applicant. The request raised by the Sponsor Bank, would be electronically received by the Applicant as an SMS or on the mobile app, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchanges. The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediaries,

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

- (a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries at the respective Collection Centres; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
- (b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 59.

**Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.**

**Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.**

## **INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM**

### **General Instructions**

#### **A. General instructions for completing the Application Form**

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**, as per the instructions contained in the Prospectus and the Application Form. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.;
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;
- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchanges by SCSBs, the Designated

Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs;

- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same option or across different option;
- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form;
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the Eighth Schedule of the Constitution of India needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Acknowledgement Slip. This Acknowledgement Slip will serve as the duplicate of the Application Form for the records of the Applicant;
- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be;
- Every Applicant should hold valid Permanent Account Number and mention the same in the Application Form;
- All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form; and
- All Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected.
- Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue.
- Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>)
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Transaction Registration Slip (“TRS”). This TRS will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the Lead Manager, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.

- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

The series, option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for Allotment.

**Applicants should note that neither the Members of Syndicate, Trading Member of the Stock Exchanges, Public Issue Account Banks nor Designated branches of SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in the relevant Tranche Prospectus for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant option of NCDs.**

## **B. Applicant's Beneficiary Account Details**

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID, PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither our Company, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Registrar to the Issue, Public Issue Account Bank, Sponsor Bank nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable), then such Application are liable to be rejected.**

## **C. Unified Payments Interface (UPI)**

Pursuant to the SEBI Master Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

#### D. Permanent Account Number

The Applicant should mention his or her Permanent Account Number allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. The exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

#### E. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

#### F. Additional/Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other option of NCDs, subject to a minimum Application size as specified in the Prospectus and in multiples of thereafter as specified in the Prospectus. **Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 10 lakhs shall be deemed such individual Applicant to be an HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the Basis of Allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e., Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

#### Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

##### Do's

1. Check if you are eligible to apply as per the terms of the Prospectus and applicable law, rules, regulations, guidelines and approvals.
2. Read all the instructions carefully and complete the Application Form in the prescribed form.
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.
4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchanges are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Equity Shares will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.

5. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.
6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.
7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.
8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI- linked bank account number and their correct UPI ID in the Application Form.
9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.
10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.
11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.
12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.
13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in a timely manner.
14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/ Designated Branch of the SCSB.
15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.
16. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form.
17. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
18. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

19. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.
20. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 59.
21. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
22. **Permanent Account Number:** Each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected.
23. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
24. All Applicants should choose the relevant option in the column "Category of Investor" in the Application Form.
25. Choose and mark the option of NCDs in the Application Form that you wish to apply for.
26. Check if you are eligible to Apply under ASBA.
27. In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

**Don'ts:**

1. Do not apply for lower than the minimum Application size.
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.
3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.
9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available.
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.
13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centres.
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.
15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).
16. Do not make an Application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.
18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism.
19. Do not submit more than five Application Forms per ASBA Account.
20. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID.
21. Do not submit an Application Form using UPI ID, if the Application is for an amount more than UPI Application Limit and if the Application is for an amount more than ₹ 5,00,000.
22. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor.

Please also see “*Issue Procedure – Operational Instructions and Guidelines - Issue Programme*” on page 59.

**Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at <https://www.sebi.gov.in>).**

Please see “*Issue Procedure – Rejection of Applications*” on page 255 for information on rejection of Applications.

## **TERMS OF PAYMENT**

The Application Forms will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Collection Centres, named by such SCSB to accept such Applications from the Designated Intermediaries, as the case may be (a list of such branches is available at <https://www.sebi.gov.in>).

For Applications other than those under the UPI Mechanism, the relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application. For Applications under the UPI Mechanism, i.e., upto ₹5 lakhs, the Stock Exchanges shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchanges which would be shared by the Stock Exchanges with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹5 lakhs) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchanges. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.



For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account.

**Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

**A UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchanges (except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day), have been completed.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs or the Sponsor Bank (in case of Applications under the UPI Mechanism) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank, within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

#### **SUBMISSION OF COMPLETED APPLICATION FORMS**

<b>Mode of Submission of Application Forms</b>	<b>To whom the Application Form has to be submitted</b>
ASBA Applications	(i) If using <u>physical Application Form</u> , (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using <u>electronic Application Form</u> , to the SCSBs, electronically through internet banking facility, if available.
Applications under the UPI Mechanism	(i) Through the Designated Intermediary, physically or electronically, as applicable; or (ii) Through BSE Direct.

**No separate receipts will be issued for the Application Amount payable on submission of Application Form.** However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an Acknowledgement Slips which will serve as a duplicate Application Form for the records of the Applicant.

#### **Electronic Registration of Applications**

- (a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications (including those under the UPI Mechanism) using the on-line facilities of the Stock Exchanges. **The Members of Syndicate, our Company and the Registrar to the Issue or the Lead Managers is not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchanges or (vi) any Application made under the UPI Mechanism, accepted or uploaded or failed to be uploaded by a Designated Intermediary or through the app/web based interface of the Stock Exchanges and the corresponding failure for blocking of funds under the UPI Mechanism.**

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges. However, the option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for Allotment/rejection of Application.

- (b) The Stock Exchanges will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that

they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see “*General Information – Issue Programme*” on page 59. Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(d) With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant’s responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**

(f) **Applications can be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect.** The permission given by the Stock Exchanges to use its network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

- (g) **Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment.** The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

## **REJECTION OF APPLICATIONS**

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or the Administrative Committee thereof, reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- (a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;
- (c) Applications not being signed by the sole/joint Applicant(s);
- (d) Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- (e) Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as per relevant tranche prospectus;
- (f) Applications not made through the ASBA facility
- (g) Investor Category in the Application Form not being ticked;
- (h) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may Allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- (i) Applications where a registered address in India is not provided for the non-Individual Applicants;
- (j) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);
- (k) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- (l) PAN not mentioned in the Application Form., except for Applications by or on behalf of the central or state government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- (m) DP ID, Client ID or UPI ID (wherever applicable) not mentioned in the Application Form;
- (n) GIR number furnished instead of PAN;
- (o) Applications by OCBs;
- (p) Applications for an amount below the minimum Application size;
- (q) Submission of more than five ASBA Forms per ASBA Account;
- (r) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

- (s) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;
- (t) Applications accompanied by stock invest/ cheque/ money order/ postal order/ cash;
- (u) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- (v) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;
- (w) Date of birth for first/sole Applicant for persons applying for allotment not mentioned in the Application Form;
- (x) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;
- (y) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;
- (z) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;
- (aa) ASBA Applications not having details of the ASBA Account or the UPI-linked Account to be blocked;
- (bb) In case no corresponding record is available with the Depositories that matches the parameters namely, DP ID, Client ID, UPI ID and PAN or if PAN not available in the Depository database;
- (cc) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- (dd) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- (ee) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- (ff) Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;
- (gg) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- (hh) Applications by any person outside India;
- (ii) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- (jj) The UPI Mandate Request is not approved by the Retail Individual Investor;
- (kk) Applications not uploaded on the online platform of the Stock Exchanges;
- (ll) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- (mm) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, the Prospectus and as per the instructions in the Application Form and the Prospectus;
- (nn) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- (oo) Applications providing an inoperative demat account number;

- (pp) Applications submitted to the Designated Intermediaries other than the Collection Centres or at a Branch of a SCSB which is not a Designated Branch;
- (qq) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB);
- (rr) Investor category not ticked;
- (ss) Forms not uploaded on the electronic software of the Stock Exchanges;
- (tt) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;
- (uu) where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- (vv) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and
- (ww) A non-UPI Investor making an Application under the UPI Mechanism, i.e., an Application for an amount more than ₹5 lakhs.

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the Basis of Allotment, please see “*Information for Applicants*” below.

### **Information for Applicants**

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID, UPI ID (where applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

### **Retention of oversubscription/Green Shoe Option**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Basis of Allotment for NCDs**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Allocation Ratio**

Reservations shall be made for each of the Portions as specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Unblocking of funds**

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

In case of ASBA Applications submitted to the SCSBs, in terms of the RTA Master Circular, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected. In case of Applicants submitted to the Lead Managers, Consortium Members and Trading Members of the Stock

Exchanges at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per Depository records or treat such ASBA Application as rejected. Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

#### **Mode of making refunds**

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

- a) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;
- b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
- c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within six Working Days from the Issue Closing Date, for the delay beyond five Working Days; and
- d) Our Company will provide adequate funds to the Registrar to the Issue for this purpose

#### **ISSUANCE OF ALLOTMENT ADVICE**

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants upon approval of Basis of Allotment. The Allotment Advice for successful Applicants will be mailed by speed post/registered post to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Issue Closing Date.

Allotment Advices shall be issued or Application Amount shall be unblocked within 6 (six) Working Days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts or the UPI linked bank accounts (for Applications under the UPI Mechanism) of the Applicants forthwith failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

#### **OTHER INFORMATION**

##### **Withdrawal of Applications during the Issue Period**

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite.

In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchanges and intimating the Designated Branch of the SCSB to unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite,

including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchanges and unblocking of the funds in the ASBA Account, directly.

### **Withdrawal of Applications after the Issue Period**

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment but not later than 2 (two) Working Days from the Issue Closing Date or early closure date, as applicable.

### **Revision of Applications**

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by the Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date (till 1:00 p.m.) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. Please also see, "*Issue Procedure – Operational Instructions and Guidelines - Modification and cancellation of orders*" on page 241.

### **Depository Arrangements**

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

- (i) Tripartite agreement dated January 19, 2010 among our Company, the Registrar and NSDL and tripartite agreement dated January 15, 2010 among our Company, the Registrar and CDSL, respectively for offering depository option to the investors.
- (ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- (iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- (iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- (v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.
- (vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges has connectivity with NSDL and CDSL.
- (vii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial

owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

- (viii) The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form in multiples of One NCD only.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

**PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.**

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

**Communications**

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchanges) should be addressed to the Registrar to the Issue, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of the Application Form, name and address of the Designated Intermediary or Designated Branch of the SCSBs, as the case may be, where the Application was submitted.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchanges.

Applicants may contact our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre- Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

**Interest in case of delay**

Our Company undertakes to pay interest, in connection with any delay in Allotment and demat credit, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

**Utilisation of Application Amounts**

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchanges as per applicable provisions of law(s), regulations and approvals.

**Undertaking by the Issuer**

"Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of "*Risk factors*" on page 20.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

Our Company undertakes that:

- (a) All monies received pursuant to this Issue shall be transferred to a separate bank account as referred to in sub- section (3) of section 40 of the Companies Act, 2013;



- (b) Details of all monies utilised out of this Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies had been utilised;
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- (d) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Draft Shelf Prospectus and the Prospectus, on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchanges;
- (e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property, dealing in equity of listed companies or lending/investment in group companies;
- (f) The allotment letter shall be issued, or Application Amount shall be unblocked in accordance with the applicable law, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.
- (g) Details of all monies unutilised out of the previous issues made by way of public issuer, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested;
- (h) The experts named in this Draft Shelf Prospectus are not, and has not been, engaged or interested in the formation or promotion or management, of our Company.

***Other Undertakings by our Company***

Our Company undertakes that:

- (a) Complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;
- (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- (c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of this Issue Closing Date;
- (d) Funds required for dispatch of Allotment Advice/NCD Certificates (only upon rematerialisation of NCDs at the specific request of the Allottee/ Holder of NCDs) will be made available by our Company to the Registrar to the Issue;
- (e) Our Company will forward details of utilisation of the proceeds of this Issue, duly certified by the Joint Statutory Auditors, to the Debenture Trustee on a half-yearly basis;
- (f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of this Issue as contained in this Draft Shelf Prospectus;
- (g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report and website;
- (h) Our Company shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time; and
- (i) We have created a recovery expense fund in the manner as specified by SEBI from time to time and will inform the Debenture Trustee about the same

## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND DEFAULTS

Except as disclosed below, there are no outstanding: (a) criminal proceedings; (b) actions by regulatory authorities and statutory authorities (including any show cause notices by such authorities); (c) claims related to direct and indirect taxes; and (d) civil/ arbitration legal proceedings, involving our Company, Subsidiaries, Directors and Promoter (collectively "**Relevant Parties**").

For the purpose of all civil/ arbitration legal/ tax proceedings in relation to the Relevant Parties, the materiality threshold shall be 1% of the consolidated total income or net worth, whichever is lower, of our Company for Fiscal 2023. Accordingly, the materiality threshold is ₹ 90.86 crores i.e., 1% of ₹ 9,086.74 crores ("**Total Income**").

Save as disclosed below, there are no:

- (i) Outstanding litigation involving our Company and the Promoter having implications on the financial position or credit quality which may materially affect our Company or the investor's decision to invest continue to invest in the debt securities of our Company;
- (ii) Any litigation or legal action pending or taken by a department of the Government or a statutory authority against the Promoter during the last three years and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action;
- (iii) Defaults in or non-payment of any statutory dues by our Company in the last three financial years and current financial year;
- (iv) Material frauds committed against our Company in the last three years and current financial year and actions taken by our Company in this regard, if any;
- (v) Outstanding proceedings initiated against our Company for any economic offences;
- (vi) Pending litigation involving our Company, our Promoter, Directors, Subsidiaries or any other person, whose outcome could have material adverse effect on the financial position of our Company, which may affect the issue or the investor's decision to invest or continue to invest in the debt securities;
- (vii) Details of any regulatory actions, if any or disciplinary action taken by SEBI or stock exchanges against our Promoter in last five financial years including any outstanding action, if any; and
- (viii) Details of any inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act, 2013 or any previous companies law in the last three years immediately preceding the year of issue of Draft of Shelf Prospectus in the case of our Company and all our Subsidiaries; and if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the last three years immediately preceding the year of the prospectus for our Company and all of our Subsidiaries.

Further, except as disclosed below, there are no outstanding:

- (i) litigation involving the group companies whose outcome could have material adverse effect on the financial position of our Company; and
- (ii) regulatory action, if any or disciplinary action taken by SEBI or stock exchanges against the group companies in last five financial years including any outstanding action, if any.

#### A. Litigation involving our Company

##### *Litigation against our Company*

##### I. Criminal Proceedings

1. Loknath Ratnakar ("**Complainant**") has filed a criminal complaint case no 2522(C) of 2002 ("**Complaint**") before the Court of Chief Judicial Magistrate, Patna against our Company (in its erstwhile name 'Nicholas Piramal India Limited') and others alleging offences under Sections 420, 406 and 120-B, of the Indian Penal Code, 1860. The Complaint has been filed on the grounds that our Company has taken a road permit through the Complainant but has supplied the products through another clearing and forwarding agent, other than the Complainant. The Chief Judicial Magistrate Patna vide order dated February 2, 2004 took cognizance of the offences as alleged by the

Complainant and issued summons against our Company and others. The judicial files in relation to this matter are untraceable and a complaint was lodged before the registrar, Patna Civil Court regarding the untraceable files. This matter is currently pending.

2. Rohit Bajpai, the Drugs Inspector, Drugs Control Department of New Delhi had filed a criminal complaint bearing number 12/2004 (“**Complaint**”) before the Court of Metropolitan Magistrate, New Delhi against our Company (in its erstwhile name ‘Nicholas Piramal India Limited’) and others alleging offences under Section 18(a)(i) and Section 17B of the Drugs and Cosmetics Act, 1940. The Complaint has been filed on the ground that ‘Tixylix Children’s Cough Linctus’ was declared ‘Not of Standard Quality’ as per the Drugs and Cosmetics Act, 1940 and gave a negative test for ‘pholcodine’. Thereafter, a criminal miscellaneous petition bearing number 5149-51 of 2006 (the “**Petition**”) was filed by our Company before the High Court of Delhi under Section 482 of the Code of Criminal Procedure, 1973 (the “**CRPC**”) for quashing of the Complaint. The High Court of Delhi passed an order dated September 19, 2013 disposing the Petition and directed our Company to conduct trial before the trial court. Thereafter, our Company filed an application dated July 14, 2014 (the “**Discharge Application**”) before the Metropolitan Magistrate, Rohini District Courts, New Delhi (“**Metropolitan Magistrate Court**”) seeking discharge from the Complaint under Section 245(2) of the CRPC. The Discharge Application was later dismissed by the Metropolitan Magistrate Court and our Company was held liable to be charged for commission of offences under Section 18(a)(i) and Section 17B of the Drugs and Cosmetics Act, 1940 vide order dated November 30, 2015 (the “**Order**”). Thereafter, our Company filed a criminal revision petition dated February 17, 2016 before the Court of District and Sessions Judge, Rohini District Courts, Delhi under Section 397 of the CRPC to quash the Order. Our Company filed a criminal revision application no. 30318 of 2018 (“**Criminal Revision Application**”) under Section 397 of the CRPC before the High Court of Delhi. The High Court of Delhi passed an order dated August 20, 2018 disposing the Criminal Revision Application. The matter is still pending before the High Court of Delhi and the trial is pending before the Metropolitan Magistrate Court.
3. The Drugs Inspector, Drugs Control Department of Jharkhand, filed a criminal complaint no. 35/2006 and 36/2006 against the C&F Agent, Ranchi of our Company (in its erstwhile name ‘Nicholas Piramal India Limited’) for offences pertaining to supply of medicines to different agents in the name of institutional supply, but the goods were not supplied to the institutions in whose names the goods were billed but were sold in the open market by different agents. An application filed under Section 205 of Criminal Procedure Code, 1973 (the “**CRPC**”) before the trial court for permanent exemption for the C&F Agent to appear in the trial court has been admitted. Further, an application under Section 482 of the CRPC has been filed for quashing. The High Court of Jharkhand has vide an order dated March 31, 2009 passed in the quashing application stayed further proceedings in criminal case no. 35/2006 and 36/2006. Further, a counter affidavit has been filed pursuant to the order date February 2, 2015. The matter is currently pending.
4. The Drugs Inspector, Palakkad, Kerala, filed a criminal complaint no. 93/2016 (“**Complaint**”) before the Chief Judicial Magistrate Court, Palakkad against our Company (in its erstwhile name ‘Piramal Healthcare Limited’) and others alleging offences under Section 18(a)(i) and Section 27(d) of the Drugs and Cosmetics Act, 1940 (the “**Drugs and Cosmetics Act**”). The Complaint has been filed on the ground that a statutory sample of the drug ‘STEMETIL MD’ was sent for testing and was declared ‘Not of Standard Quality’ as per the Drugs and Cosmetics Act, and it was concluded that the content of ‘prochlorperazine maleate’ is not within the limit of Schedule V of the Drugs and Cosmetics Act. Thereafter, criminal petitions was filed against the Compliant before the High Court of Kerala, Ernakulum and an interim stay has been granted. The matter is currently pending.
5. The Drugs Inspector, Baramulla, filed a criminal complaint number 09/ 2016 (“**Complaint**”) before the Chief Judicial Magistrate, Sopore against O.P. Sule, Chief Manager of our Company (in its erstwhile name ‘Nicholas Piramal India Limited’) and others alleging offences under Section 18(a)(i) of the Drugs and Cosmetics Act, 1940 (the “**Drugs and Cosmetics Act**”). The Complaint has been filed on the ground that ‘Inj. Phenergan B.’ was declared ‘Not of Standard Quality’ as per the Drugs and Cosmetics Act. Further, the case was transferred to Additional Sessions Judge, Sopore, Kashmir. The matter is currently pending.
6. The Drugs Inspector, Vadapalani Range, Chennai filed a criminal complaint no. 2795/2016 (“**Complaint**”) before the Court of Metropolitan Magistrate, Saidapet, Chennai against Sanjay Kumar, proprietor of Mahalaxmi Enterprises (“**Accused no. 1**”), our Company, Swati Ajay Piramal (“**Accused no. 2**”) alleging offences under Section 18(c) of the Drugs and Cosmetics Act, 1940 (the “**Drugs and Cosmetics Act**”). The Complaint had stocked for sale and sold drugs without holding

a valid license 20B as the license was deemed expired as per Rule 63 of the Drugs and Cosmetics Act. A criminal petition no. 2343/2016 was filed by Accused no. 2 under Section 482 of the Criminal Procedure Code, 1973 (the “**CRPC**”) before the High Court of Madras to quash the Complaint filed before the Court of Metropolitan Magistrate, Saidapet, Chennai and a criminal petition no. 23409/2016 was filed by Accused no. 2 under Section 482 of the CRPC to set aside the summoning order. Thereafter, the High Court of Madras passed an order dated October 4, 2021 quashing the Complaint against Accused no. 2. However, the matter is currently pending against Accused no. 1 and our Company.

7. P. Lakshmi Narasimhan, Joint Director, Industrial Safety and Health, Thiruvottriyur representing the Government of Tamil Nadu filed a criminal complaint no. 02 of 2017 (“**Compliant**”) before the Chief Judicial Magistrate Court, Tiruvallur against P. Kalaiselvan, manager (“**Manager**”) of the factory premises of our Company located at Ennore, Chennai (“**Factory**”), alleging offences under Section 87, Rule 95, Schedule XVI part II section 1 and section 38(1)(3) rule 61(3) of the Factories Act 1948 (Amended Act 1987) and Tamil Nadu Factories Rules, 1950. The Complaint has been filed on the ground that at the factory premises of our Company, two workers N. Vairakkannu and J. Selvam (“**Workers**”) were pumping sludge in the lean effluent tank through the tanker lorry. Thereafter, the entrapped solvent vapour such as methyl alcohol and toluene formed vapour cloud. The Workers tried to light a bidi and flash fire occurred due to this ignition the Workers suffered burn injuries. Thereafter, Vijay Shah, occupier (“**Occupier**”) of the Factory of our Company filed criminal original petitions no. 4189/2017, 4190/2017 and the Manager of the Factory of our Company filed criminal original petitions no. 4192/ 2017 and 4193/ 2017 before the High Court of Madras to quash the Complaint under Section 482 of the Criminal Procedure Code, 1973 (the “**CRPC**”) which was dismissed by the High Court of Madras. Thereafter, our Company filed criminal miscellaneous petitions no. 3099/2017, 3103/2017, and 3103/2017. Further, the Manager of the Factory of our Company filed a special leave petition no. dated April 8, 2022 before the Supreme Court of India arising out of the final order and judgement dated December 9, 2021 passed by the High Court of Madras dismissing the criminal original petitions no. 4192/2017 and 4193/2017 and the criminal miscellaneous petitions no. 3099/2017, 3103/2017, and 3103/2017. The Supreme Court of India passed an order dated April 29, 2022 dismissing the appeals and disposing the pending applications. The Occupier has filed appeals before the Supreme Court of India. However, the matter against the Occupier has been withdrawn and the matter is currently pending against the Manager.
8. The Health Department of Government of Jharkhand filed a criminal complaint no. 375/2010 (“**Compliant**”) before the High Court of Ranchi against our Company (in its erstwhile name ‘Piramal Healthcare Limited’) and others alleging offences under Section 18(a)(i)(VI), 18(b) punishable under section 27(d) of Drugs and Cosmetics Act, 1940 (“**Drugs and Cosmetics Act**”). The Complaint has been filed on the ground that the drug ‘M-Cold tablets’ was declared ‘Not of Standard Quality’ as per the Drugs and Cosmetics Act. The drug was manufactured by Scott-Edil Pharmacia Limited, a third party manufacturer and was marketed and sold by our Company Our Company filed a criminal petition no. 3221/2018 under Section 482 of the Criminal Procedure Code, 1973 before the High Court of Ranchi to quash the Complaint. The matter is currently pending.
9. B.V. Bhadra Girish, engineer in the Telangana State Pollution Control Board filed a criminal complaint no. 582/2019 (“**Complaint**”) before the Court of Judicial First Class Magistrate at Zaheerabad alleging offences under Section 23 and 43 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 19 of the Environment (Protection) Act, 1986. The Complaint has been filed on the ground of contamination of ground water affecting crops and the health of human beings and livestock. The matter is currently pending.

## II. Regulatory matters

1. Jyoti Bhatia (“**Complainant**”) filed a complaint with the Securities Exchange Board of India (“**SEBI**”) Complaint Redress System (SCORES) on April 10, 2015 alleging non receipt of bonus shares on 400 equity shares purchased by the Complainant’s father in 1992. (“**Complaint**”). SEBI issued a show cause notice (“**SCN**”) dated June 9, 2017 to our Company under Rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officers) Rules, 1995, to inquire and adjudge under Section 15C of the SEBI Act, 1992 for failure of our Company to address the pending investor grievance within the prescribed time. The Complaint was withdrawn by SEBI on account of procedural infirmity and consequently the SCN was withdrawn vide SAT order dated August 8, 2017. The Complainant had also approached the National Company Law Tribunal (“**NCLT**”), Mumbai Bench, against our Company under Section 111A of the Companies Act, 1956 claiming 200 bonus shares of PEL and consequential

benefits attached therein. Thereafter, the Complainant filed a company application no. 12 of 2016 in company petition no. 20 of 2016. The matter is currently pending before the NCLT.

2. Our Company made an application via form III to the National Biodiversity Authority (“**NBA**”) on March 12, 2010, for seeking the prior approval of the NBA to obtain intellectual property rights for the invention based on the biological resources obtained from India namely ‘*Murraya Koenigii*’ that was examined by the NBA in consultation with the expert committee on access and benefit sharing (“**ABS**”) formed for the purpose of evaluating ABS applications and observed as a contravention of the Biological Diversity Act, 2002 (“**BD Act**”) The NBA issued a notice NBA/Tech Appl/9/396/10/18-19/2938 dated November 5, 2018 against our Company alleging violation of Section 3(2) of the BD Act which relates to the approval requirement for companies having non-Indian participation in their share capital or management, access biological resources and Section 6 of the BD Act, which relates to requirement of obtaining prior approval before applying for an intellectual property right. Thereafter, our Company submitted an affidavit dated November 21, 2018 declaring that our Company abandoned the projects involving biological resource access and corresponding patents and patent applications in the name of our Company and have not commercialised the corresponding product nor do they have any intention to commercialise the products from the projects in India or outside India. This matter is currently pending.
3. Our Company made an application via form III to the National Biodiversity Authority (“**NBA**”) on September 16, 2014 for seeking the prior approval of the NBA to obtain intellectual property rights for the invention based on the biological resources obtained from India namely ‘*Nir Brahmi – Bacopa monnieri (L.) Wettst*’ that was examined by the NBA in consultation with the expert committee on access and benefit sharing (“**ABS**”) formed for the purpose of evaluating ABS applications and observed as a contravention of the Biological Diversity Act, 2002 (“**BD Act**”). The NBA issued a notice NBA/Tech Appl/9/121/07/18-19/3039 dated November 9, 2018 against our Company alleging violation of Section 3(2) of the Biological Diversity Act, 2002 (“**BD Act**”) which relates to the requirement of approval for companies having non-Indian participation in their share capital or management, to access biological resources and violation of Section 6 of the BD Act, which relates to requirement of obtaining prior approval from the NBA before applying for an intellectual property right (“**IPR**”). Our Company falls under Section 3(2) of the BD Act and therefore, our Company is liable to the NBA and not the Madhya Pradesh State Biodiversity Board under Section 3 of the BD Act. Thereafter, our Company entered into an agreement for access and benefit sharing (“**ABS**”) with the NBA for seeking approval of the NBA for obtaining any IPR for the invention titled ‘*standardised extract of tinospora cordifolia as an immunoadjuvant in the treatment of renal disorders such as nephritic syndrome and chronic recurrent urinary tract infections*’ by making a one-time payment of 1 per cent as benefit sharing which amounts to ₹ 25,638.72 and have not commercialised the corresponding product. This matter is currently pending.
4. The Madhya Pradesh State Biodiversity Board issued notices dated December 6, 2018, December 21, 2018, January 5, 2019, February 7, 2019 and February 12, 2019 (“**Notices**”) to our Company. Our Company submitted responses to the Notices. Thereafter, our Company provided details of the raw materials of biological origins and confirmed that the raw materials were imported and our Company or the vendors of our Company have not accessed any biological resource in India for commercial purposes as defined in the Biological Diversity Act, 2002 (“**BD Act**”). Further, Piramal Pharma Solutions, a vertical under our Company submitted information in Form-I under Section 7 of the BD Act regarding information related to use of biological resources and made a payment of ₹ 1,000. Our Company stated that it is a company under Section 3(2) of the BD Act that includes companies having non-Indian participation in their share capital or management. Therefore, our Company was not required to comply with requirements of the Madhya Pradesh State Biodiversity Board and its obligations were limited to the National Biodiversity Authority. The matter is currently pending.
5. The Food and Drug Administration, Maharashtra, Thane (“**FDA**”) issued show cause notice AR/SCN/336-2017/P-5, (“**SCN**”) and recall intimation no. AR/Recall/335-2017/P-5 dated August 28, 2017 and test report from the Director of the Central Drug Laboratory, Kolkata dated July 7, 2017 to our Company as manufacturers of Supradyn (multivitamins tablets with minerals and trace elements) batch PMB026 (“**Batch**”). Thereafter, the Batch was declared ‘Not of Standard Quality’ by Government Analyst, CDL Kolkata. Further, our Company has filed an appeal no. 1/ 2021 dated November 25, 2021 to the Ministry of Food and Drug Administration, Maharashtra against an order for the suspension of product (“**Order of Suspension**”) permission of the product, Supradyn (multivitamins tablets with minerals and trace elements) for a period of fifteen days from January 24, 2022 to February 7, 2022 from Licensing Authority and Joint Commissioner (Konkan) Division

as per the Drugs and Cosmetics Act, 1940. The Office of Under Secretary, Government of Maharashtra vide letter dated January 20, 2022 granted a stay on the Order of Suspension. This matter is currently pending.

6. The Office of the Inspector, Legal Metrology (Weights & Measures) Old Collectorate, Sehore (Madhya Pradesh) issued a notice no. 158/W&M/Prosecution dated June 7, 2018 and notice no. 24/W&M/Prosecution dated January 1, 2018 against our Company regarding complaint due to violation / irregularities in the height of numerals mentioned on the package is not in accordance with Rule 7 and Rule 8 of the Legal Metrology (Packaged Commodities) Rule, 2011 (“**Legal Metrology Rules**”) for ‘Isabgol Husk Powder’ (“**Isabgol**”), batch no. NAT6338. However, our Company has filed a response that exemption under Chapter V Rule 26 of the Legal Metrology Rules which states an exemption for any package containing a commodity if it contains scheduled formulations and non-scheduled formulations covered under the Drugs (Price Control) Order (“**DPCO**”) made under section 3 of the Essential Commodities Act 1955. Our product Isabgol is part of Schedule – I of DPCO Amendment Order, 2016 under the category of ‘laxatives’. Therefore, Legal Metrology (Packaged Commodities), Rules 2011 are not applicable to Isabgol. The matter is currently pending.
7. A show cause notice no. 260/2018-19/DBK dated May 23, 2018 was issued by the Office of Commissioner of Customs, Nhava Sheva, Maharashtra, show cause notice and demand notice C. No. VIII (10)15/ADC/ADJ/CUS/WB/18-19/8574P dated June 19, 2018 was issued by Office of Commissioner of Customs (Preventive), Kolkata and show cause notice F. No. SIIB/Gen-44/2018-19 ACC (X) dated July 12, 2018 issued by Office of Commissioner of Customs, Special Intelligence and Investigation Branch (Export), Air Cargo Complex, Sahar, Mumbai (“**Show Cause Notices**”) to our Company imposing penalty under Section 114 and Section 114A of the Customs Act, 1962 regarding the mis-classification of the product ‘Multivitamin and Micronutrient Powder’ at the time of export, for availing higher duty drawback by our Company, with interest under Section 75A read with Section 28AA of Customs Act, 1962. Our Company has made a partial payment of an amount of duty drawback including interest. for a period of three years of the amount of interest and filed two settlement applications dated October 22, 2019 and October 23, 2019 (“**Settlement Applications**”) under Section 127B of Customs Act, 1962. The Settlement Commission passed an order dated January 1, 2021 disposing off the Settlement Applications and stating that our Company was liable to pay the duty drawback for the remaining two years along with interest and therefore, no penalty would be chargeable from our Company. The matter is currently pending.
8. The Food and Drug Administration, Pilibhit, Uttar Pradesh (“**FDA**”) issued show cause notice no. FOS0D0A/adhomanak/2017-18/25(1-2) dated April 18, 2018 (“**SCN**”) against our Company on the ground that the product ‘Neko Bouquet (Skin Care Soap)’, manufactured by VVF (India) Limited was declared ‘Not of Standard Quality’ as per the Drugs and Cosmetics Act, 1940 as it did not confirm to the relevant parameter in terms of net weight. Our Company was the distributor of the batch of the product marketed by Pfizer Limited. Our Company has filed a reply dated May 18, 2018 to the SCN. The matter is currently pending.
9. The Office of the Joint commissioner (Konkan Division) of Food and Drug Administration, Maharashtra issued a letter no. D&C/NSQ/Lacto/257(A)-2018/Z-1 dated July 12, 2018 along with testing report from Government Analyst , Drug Control Laboratories, Mumbai, Maharashtra State in Form 34 no. NSQ/MUM/ 102831/ 2018 dated April 10, 2018 to our Company in relation to the product ‘Lacto Calamine, skin balance, daily nourishing lotion, oil control with kaolin+ glycerin’, batch no. BLC 7003 and declared it as ‘Not of Standard Quality’ as it was not in compliance with IS PCD-19 (1621) type E for calamine lotion for the test of microbial examination as per Section 18(a)(ii) of the Drugs and Cosmetics Act, 1940. Our Company has filed a reply dated August 16, 2018. The matter is currently pending.
10. The notices bearing reference no. AR/Stock Return/09/ 585-2019/P-5 and reference no. AR/SCN/09/585-2019/P-5 dated October 16, 2019 relating to the issue of the list of drugs declared as ‘not standard quality’ for the month of July 2019 were uploaded on the Central Drugs Standard Control Organization (“**CDSCO**”) website, which contained reference to the Supradyn Multivitamin Tablets, batch no. MH 3080 which were manufactured by our Company, not being of standard quality. Further, our Company received a letter dated September 25, 2019 from the office of CDSCO, Baddi, Solan in accordance with section 25(2) and section 23(4)(ii) of Drugs and Cosmetics Act, 1940.

11. The Office of the Assistant Controller, Legal Metrology Department, Poonch, Jammu and Kashmir issued a show cause notice no. LM/ACP/152-159/2019 dated September 23, 2019 against our Company in relation to the product 'Neko Daily Hygiene Soap' for the violation of Rule 8 of Legal Metrology (Packaged Commodities) Rule, 2011 ("Legal Metrology Rules") that mentions that the area surrounding quantity declaration on a package has to be free from printed information and Rule 6 (8) of Legal Metrology Rules where the package should bear a red, brown or green dot for non-vegetarian and vegetarian origin. Thereafter, based on a Supreme Court judgement, there is a stay on Rule 6 (8) of Legal Metrology Rules and thus it is not compulsory to mention red/brown or green dot on cosmetic products.
12. The Officer of Senior Inspector Weights and Measures, Balia, Uttar Pradesh, issued a notice no. 477 dated January 17, 2019 against our Company in relation to the product 'Jungle Magic Sanitizer' and the irregularities as per conditions laid down under Rule 8 of the Legal Metrology (Packaged Commodity) Rules, 2011 regarding the area surrounding the net quantity declaration, not being fulfilled. Our Company vide a letter dated February 2, 2019 made an application for the compounding of offences committed under the Legal Metrology (Packaged Commodity) Rules, 2011. Thereafter, a notice dated May 7, 2019 was issued by the Legal Metrology Inspector Gorakhpur, Uttar Pradesh against our Company for the same product and same violation as mentioned in the earlier notice.
13. The Officer of Senior Inspector, Legal Metrology, Weights and Measures, Balampur, Uttar Pradesh issued a notice no. 441 dated March 6, 2020 and notice no. 40 dated September 2, 2020 against our Company in relation to the advertisement in 'Danik Jagran' newspaper for our product 'Little's Baby Wipes' where the irregularities by way of the net quantity was not mentioned and only the manufacturing retail price was mentioned thus lead to the contravention of provisions of Section 18(2) of the Legal Metrology Act, 2009 and Rule 31(1) of the Legal Metrology (Packaged Commodity) Rules, 2011. Our Company made an application to compound the notice 40 dated September 2, 2020 and a payment of ₹ 5,000 as penalty.
14. The Officer of Senior Inspector, Legal Metrology, Weights and Measures, Basti, Uttar Pradesh issued a notice no. 181 dated March 6, 2020 against our Company in relation to the advertisement for our product 'Little's Baby Wipes' where the irregularities by way of the net quantity was not mentioned and only the manufacturing retail price was mentioned thus lead to the contravention of provisions of Section 18(2) of the Legal Metrology Act, 2009 and Rule 31(1) of the Legal Metrology (Packaged Commodity) Rules, 2011. Our Company made an application to compound the notice no. 181 and a payment of ₹ 5,000 as penalty.
15. The Officer of Senior Inspector, Legal Metrology, Weights and Measures, Kanpur, Uttar Pradesh issued a notice no. 104 dated August 27, 2020 against our Company in relation to the advertisement for our product 'Little's Baby Wipes' where the irregularities by way of the net quantity was not mentioned and only the manufacturing retail price was mentioned thus lead to the contravention of provisions of Section 18(2) of the Legal Metrology Act, 2009 and Rule 31(1) of the Legal Metrology (Packaged Commodity) Rules, 2011. Our Company made an application to compound the notice no. 104 and a payment of ₹ 5,000 as penalty.
16. The Officer of Senior Inspector, Legal Metrology, Weights and Measures, Rampur, Uttar Pradesh issued a notice no. 302/S.I.L.M.W.M/ Enforcement dated July 27, 2020 and notice bearing letter no. 154 dated March 12, 2021 against our Company in relation to the advertisement for our product 'Little's Baby Wipes' where the irregularities by way of the net quantity was not mentioned and only the manufacturing retail price was mentioned thus lead to the contravention of provisions of Section 18(2) of the Legal Metrology Act, 2009 and Rule 31(1) of the Legal Metrology (Packaged Commodity) Rules, 2011. Our Company made an application to compound the notices and a payment of ₹ 5,000 as penalty.
17. The Officer of Senior Inspector, Legal Metrology, Weights and Measures, Noida issued a notice no. 12/VNVMV/Enforcement dated May 8, 2020 against our Company in relation to the advertisement for our product 'Little's Baby Wipes' where the irregularities by way of the net quantity was not mentioned and only the manufacturing retail price was mentioned thus lead to the contravention of provisions of Section 18(2) of the Legal Metrology Act, 2009 and Rule 31(1) of the Legal Metrology (Packaged Commodity) Rules, 2011. Our Company made an application to compound the notices and a payment of ₹ 5,000 as penalty.

18. The Office of Senior Inspector, Department of Legal Metrology Belrampur, Uttar Pradesh, issued a notice having reference no. 1 / Notice - Clarification, dated September 17, 2020 against our Company in relation to our product "Sloan's Liniment Kills Pain (Ayurvedic Oil)' regarding the violation where the net quantity declaration was not mentioned on the product which amounts to contravention of Section 18(1) and Section 36(1) of Legal Metrology Act, 2009 and the alleged contravention by stating that the product is being manufactured under Ayush License and thus falls under the purview of Drugs and Cosmetics Act 1940 and the rules therein and Legal Metrology is not applicable on the said product.
19. The Assistant Controller, Office of Inspector, Legal Metrology, Bathinda issued a query and compounding notice memo no. LM-Camp – 2021/129 dated August 25, 2021 against our Company in relation to our product 'Piramal Baby Wipes' batch no. BCL20239 regarding violation regarding the net quantity to be mentioned as per the format prescribed under Rule 13(5)(ii) of Legal Metrology (Packaged Commodities) Rules, 2011. Our Company filed a reply dated October 8, 2021 to the Officer of Inspector, Legal Metrology, Bhatinda.

### *III. Civil*

1. Gulam Mustafa Enterprises Private Limited ("**Corporate Debtor**") filed a writ petition number 10869 of 2023 ("**Petition**") before the High Court of Karnataka against the Registrar of the National Company Law Tribunal ("**NCLT**") against the order dated June 6, 2023, in relation to the provisions of section 7 of the Insolvency and Bankruptcy Code, 2016 ("**IBC Code**") mandating the issuance of notice to the Corporate Debtor prior to admission of the application under section 7(5) of the IBC Code and whether the procedure followed by the NCLT in issuing the notice to the Corporate Debtor prior to the admission of the application by the order dated April 21, 2023 is accurate. The Petition was disposed. The order disposing the Petition is awaited. For further details in relation to this matter please refer to "**Litigation by our Company – Civil**"

### *Litigation by our Company*

#### *I. Criminal matters*

1. Our Company (in its erstwhile name 'Nicholas Piramal India Limited') filed a criminal complaint under various sections of the Indian Penal Code, 1860 for offences of cheating, forgery, falsification of accounts, criminal breach of trust and misappropriation of an aggregate amount of ₹ 8.21 crores before the Additional Commissioner of Police, Economic Offences Wing, Mumbai against Subhabrata Datta, an ex-employee of Boots Piramal Healthcare Private Limited. Thereafter, a criminal application no. 1564 of 2010 was filed by Subhabrata Datta before the Senior Inspector of Police, Economic Offences Wing, Mumbai in cr. No. 54 of 2008 registered by GBCB CID, Bombay for anticipatory bail before the Court of Session for Greater Bombay. Thereafter, while granting interim relief of bail in the event of Subhabrata Datta's arrest, the application was disposed of with a direction to Subhabrata Datta to make a formal application for bail before the appropriate Magistrate's Court.
2. Our Company (in its erstwhile name 'Nicholas Piramal India Limited') through their C&F Agent at Patna, sold medicine worth ₹ 0.01 crores to Verma medical agency and to persons associated with Verma medical agency (the "**Accused**"). The Accused issued three cheques drawn on the Union Bank of India, Bihar in favour of our Company in respect of the amount payable for the medicine purchased from our Company. Our Company deposited these cheques in the CITI Bank and were dishonoured due to insufficiency of funds. Our Company informed the Accused about the dishonour of cheques and requested them to make a payment for the medicine purchased from our Company. However, the Accused refused to make the payment to the Company with an intention to defraud and cheat our Company. Therefore, our Company (in its erstwhile name 'Nicholas Piramal India Limited') filed a criminal case complaint against Verma Medical Agency and others in the Chief Judicial Magistrate Court, Patna for offences under Section 406, 420 of the Indian Penal Code, 1960 ("**IPC**") for defrauding and cheating our Company. A non-bailable warrant issued was against Verma Medical Agency on April 19, 2000. The process under Section 82 and 83 of the IPC, when person is absconding issued on July 15, 2000. The matter is currently pending.
3. Our Company filed a criminal complaint bearing FIR no. 125/2016 before the Parksite Police Station and case is filed by Parksite Police Station before Additional Metropolitan Magistrate, Vikhroli, Mumbai, filing no. 619 of 2017 and registration no. 161 of 2017 against Rupesh Rane, former Chief Manager for Animal Nutrition Health and Human Nutrition Health divisions under the Sections 420, 408, 465, 467, 468, 471, and 34 of the Indian Penal Code, 1960 and Section 66 (c) (d) of the



Maharashtra Employees of Private Schools (Conditions of Service) Regulation Act, 1977. Rupesh Rane had been misappropriating Company's funds to the tune of ₹ 3.19 crores, out of which, he has actually received ₹ 1.06 crores. Company goods were dispatched to various customers through fraud transactions and money was received through the fictitious company Bio Pharma. Further, our Company has filed a case No. 161/PW/2017 is filed before the Additional Chief Metropolitan Magistrates 31<sup>st</sup> Court.

4. A criminal complaint was filed by our Company against Gulam Mustafa Enterprises Private Limited ("**Gulam Mustafa Enterprises**"), Gulam Mustafa, director of Gulam Mustafa Enterprises and others ("**Accused**") before the Metropolitan Magistrate's Court, Bhoiwada. Initially PHL Finvest, a subsidiary of the Company, was transacting with the Accused. Thereafter, PHL Finvest amalgamated into our Company vide an order dated August 12, 2022 passed by the National Company Law Tribunal, Mumbai through a scheme of arrangement. Gulam Mustafa Enterprises and IDBI Trusteeship Services Limited entered into a debenture trust deed ("**DTD**") dated November 20, 2019 for the purpose of acquiring financial assistance for the development of two projects of Gulam Mustafa Enterprises. Pursuant to this, Gulam Mustafa Enterprises Limited failed to comply with various obligations towards our Company and also failed to discharge its liability towards our Company due non-payment of the relevant debenture dues on the relevant due date. The matter is currently pending.

#### Regulatory matters

1. The Ministry of Chemicals & Fertilizers issued an order dated October 17, 2007 (the "**Order**") for recovery of ₹ 3.13 crores from Boehringer Mannheim (India) Limited ("**BMIL**") (that merged with our Company (in its erstwhile name 'Nicholas Piramal India Limited')) in the year 1996) under the Drug Price Control Order, 1979 read with the Drugs (Price Control) Order 1987 in relation to the allegation that BMIL had overcharged the retail prices of 'Euglocon tablets' during the period from year 1984 to year 1987 over the leader price fixed by the Government of India vide order dated December 12, 1984. Our Company filed a writ petition no. 2715 of 2007 before the High Court of Bombay challenging the Order on the grounds that it is unconstitutional and invalid as per law. The matter is currently pending.

## II. Civil

1. Our Company, the financial creditor filed an application C.P. (IB) no. 48/BB/2023 dated January 4, 2023 before the National Company Law Tribunal, Bengaluru against Gulam Mustafa Enterprises Private Limited ("**Corporate Debtor**") under section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 to initiate corporate insolvency process against the Corporate Debtor. The Corporate Debtor issued unlisted series VI debentures ("**Series VI Debentures**") aggregating to ₹ 160 crores to an investor and Piramal Capital Housing Finance Limited was a contributor for the Series VI Debentures. Our Company subsequently purchased certain junior debentures. As per the terms of the original debenture trust deed and amended trust deed security interests were created to secure the debentures subscribed by our Company in the form of mortgage and hypothecation of property and personal guarantees in favour of IDBI Trustee. Thereafter, the debentures were redeemed, and the Corporate Debtor allegedly failed to abide by the terms of the amended trust deed. The National Company Law Tribunal, Bengaluru ("**NCLT**") passed an order dated April 26, 2023 issuing a notice to the Corporate Debtor and permitting our Company to issue a personal notice to the Corporate Debtor pursuant to which our Company issued a recall notice as the Corporate Debtor failed to repay the debentures along with the interest of an amount of ₹ 296.73 crores. Thereafter the NCLT issued an order dated June 5, 2023 against which the Corporate Debtor filed a writ petition. For further details in relation to this matter please see "**Litigation against our Company – Civil – Sr. No. 1**".
2. Our Company filed an application against Gulam Mustafa, Suriya Mustafa, and Jawid Hussain, personal guarantors to Gulam Mustafa Enterprises Private Limited ("**Personal Guarantors**") before the National Company Law Tribunal, Bengaluru ("**NCLT**") under section 95 of the Insolvency and Bankruptcy Code, 2016 read with rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 to initiate insolvency resolution process in respect of the Personal Guarantor. An application under section 7 of the Insolvency and Bankruptcy Code, 2016 was filed to initiate corporate insolvency resolution process against G.M. Infinite Dwelling (India) Private Limited by our Company. For further details on this matter please refer to "**Litigation filed by our Company – Civil – Sr. No. 1**".

3. Hema Engineering Industries Limited (“**Hema Limited**”) entered into a facility agreement dated July 20, 2017 (“**Facility Agreement**”) with Piramal Finance Limited which was later assigned to our Company (erstwhile PHL Fininvest Private Limited) (“**Financial Creditor**”) by way of an assignment agreement dated March 22, 2019. Hema Engineering was extended a financial assistance of ₹ 400.00 crores and the obligation to repay the loan with the amount due under the Facility Agreement was secured by way of an unconditional and irrevocable corporate guarantee from the Financial Creditor. The corporate guarantees and personal guarantees were issued by the corporate debtors and individual debtors (“**Debtors**”) in favour of the Security Trustee for the benefit of the Financial Creditor. Our Company has issued 6 applications under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“**IBC Code**”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for recovering amounts due from the Debtors on account of their default made in repayment of their outstanding loan amount under various loan facilities availed by them from our Company and to initiate the corporate insolvency process. As on the date of this Draft Prospectus, there are 6 such applications pending at various stages to initiate the corporate insolvency process. The total amount involved in such cases is approximately ₹ 443.36 crores.
4. Our Company has filed 141 cases under Section 138 of the Negotiable Instruments Act, 1881 for recovery of amounts on account of dishonoured cheques issued by our customers. The matters are currently ongoing at different stages. The aggregate amount involved in the cases is ₹ 591.05 crores.

### III. Tax proceedings

1. Our Company filed a return of income dated September 30, 2009 for the assessment year 2009-10 declaring a total income of ₹ 7.65 crores and a payment of tax on book profit of ₹ 292.28 crores made by the Company under section 115JB of the Income Tax Act, 1961 (“**Income Tax Act**”). The return was selected for scrutiny and a notice dated August 19, 2010 was issued to our Company under Section 142 of the Income Tax Act, 1961 and an order dated January 28, 2014 was passed by the Deputy Commissioner of Income Tax, Mumbai (“**2014 Order**”) assessing the total income at ₹ 338.89 crores and a demand notice was issued to our Company under Section 156 of the Income Tax Act and a penalty is initiated under Section 271(1)(c) of the Income Tax Act. . Our Company subsequently filed cross appeals ITA No. 1287/Mum/2014 and in ITA No. 1486/Mum/2014 (“**Cross Appeals**”) against the 2014 Order. The Income Tax Appellate Tribunal, Mumbai passed an order dated May 7, 2019 (“**2019 Order**”) in relation to appeals filed by our Company. Thereafter, our Company filed an appeal no. 2159 of 2019 dated October 9, 2019 before the High Court of Bombay against the 2019 Order passed by the Income Tax Tribunal for the assessment year 2009-10. The Deputy Commissioner of Income Tax, Mumbai passed an order dated September 28, 2021 (“**2021 Order**”) against our Company under section 143(3) read with section 254 of the Income Tax Act, 1961 (“**Income Tax Act**”) for the pending issues that were set aside to the Assessing Officer for verification except for the issues decided by the 2019 Order arising out of the Cross Appeals . In the said order of September 28, 2021. our Company had claimed a total deduction of 150% of the total expenditure incurred by our Company on research and development units situated at Ennore and Goregaon that amount to ₹ 74.68 crores under section 32(2AB) of the Income Tax Act. The Assessing Officer disallowed the claim made by our Company of weighted deduction under Section 35(2AB) amounting to ₹ 24.90 crores and a disallowance of an amount of ₹ 18.88 crores on account of transfer pricing adjustments. Thereafter, the case was scrutinised and was referred to the transfer pricing officer for determination of arm’s length price of the international transactions entered by our Company. Our Company has filed an appeal dated October 28, 2021 before the National Faceless Appeal Centre, New Delhi against the 2021 Order. The matter is currently pending.
2. Our Company filed a return of income dated October 10, 2010 for the assessment year 2010-11 declaring the total income of ₹ 6.96 crores and a payment of tax on book profit of ₹ 408.05 crores made by the Company under section 115JB of the Income Tax Act, 1961 (“**Income Tax Act**”). The return was selected for scrutiny and a notice dated August 25, 2011 was issued to our Company under Section 132(2) of the Income Tax Act and an order dated January 29, 2015 (“**2015 Order**”) was passed by the Additional Commissioner of Income Tax disallowing the claim of expenditure under Section 35(2AB) of the Income Tax Act and the additions made by the transfer pricing officer. Our Company subsequently filed cross appeals ITA No. 1754/Mum/2015 and in ITA No. 1832/Mum/ 2015 (“**Cross Appeals**”) against the 2015 Order. The Income Tax Appellate Tribunal, Mumbai issued an order dated January 15, 2020 (“**2020 Order**”) in relation to appeals filed by our Company. Our Company filed an appeal number 772 of 2020 before the High Court of Bombay against the 2020 Order passed by the Income Tax Appellate Tribunal, Mumbai for the assessment year 2010-11., The Deputy Commissioner of Income Tax, Mumbai passed an order dated September

28, 2021 (“**2021 Order**”) against our Company under section 143(3) read with section 254 of the Income Tax Act, 1961 (“**Income Tax Act**”) for the pending issues that were set aside to the Assessing Officer for verification except for the issues decided by the 2020 Order arising out of the Cross Appeals. to Our Company has claimed a total deduction of the total expenditure incurred by our Company on research and development units situated at Ennore and Goregaon that amounts to ₹ 45.80 crores under section 32(2AB) of the Income Tax Act. The Assessing Officer disallowed the claim made by our Company of weighted deduction under Section 35(2AB) amounting to ₹ 15.27 crores and a disallowance of an amount of ₹ 5.01 crores on account of transfer pricing adjustments. Thereafter, the case was scrutinised and was referred to the transfer pricing officer. The matter is currently pending.

## **B. Litigation involving our Directors**

### *Litigation against our Directors*

#### *I. Criminal*

1. Loknath Ratnakar (“**Complainant**”) has filed a criminal complaint case no 2522(C) of 2002 (“**Complaint**”) before the Court of Chief Judicial Magistrate, Patna against our Company (in its erstwhile name ‘Nicholas Piramal India Limited’) its director Ajay Piramal, its director Vijay Shah and certain officers of PEL alleging offences under Sections 420, 406 and 120-B, of the Indian Penal Code, 1860. The Complaint has been filed on the grounds that our Company has taken a road permit through the Complainant but has supplied the products through another clearing and forwarding agent, other than the Complainant. The Chief Judicial Magistrate Patna vide order dated February 2, 2004 took cognizance of the offences as alleged by the Complainant and issued summons against our Company and others. The judicial files in relation to this matter are untraceable and a complaint was lodged before the registrar, Patna Civil Court regarding the untraceable files. This matter is currently pending.
2. Rohit Bajpai, the Drugs Inspector, Drugs Control Department of New Delhi had filed a criminal complaint bearing number 12/2004 (“**Complaint**”) before the Court of Metropolitan Magistrate, New Delhi against our Company (in its erstwhile name ‘Nicholas Piramal India Limited’) its Director Vijay Shah and officers alleging offences under Section 18(a)(i) and Section 17B of the Drugs and Cosmetics Act, 1940. The Complaint has been filed on the ground that ‘Tixylix Children’s Cough Linctus’ was declared ‘Not of Standard Quality’ as per the Drugs and Cosmetics Act, 1940 and gave a negative test for ‘pholcodine’. Thereafter, a criminal miscellaneous petition bearing number 5149-51 of 2006 (the “**Petition**”) was filed by our Company before the High Court of Delhi under Section 482 of the Code of Criminal Procedure, 1973 (the “**CRPC**”) for quashing of the Complaint. The High Court of Delhi passed an order dated September 19, 2013 disposing the Petition and directed our Company to conduct trial before the trial court. Thereafter, our Company filed an application dated July 14, 2014 (the “**Discharge Application**”) before the Metropolitan Magistrate, Rohini District Courts, New Delhi (“**Metropolitan Magistrate Court**”) seeking discharge from the Complaint under Section 245(2) of the CRPC. The Discharge Application was later dismissed by the Metropolitan Magistrate Court and our Company was held liable to be charged for commission of offences under Section 18(a)(i) and Section 17B of the Drugs and Cosmetics Act, 1940 vide order dated November 30, 2015 (the “**Order**”). Thereafter, our Company filed a criminal revision petition dated February 17, 2016 before the Court of District and Sessions Judge, Rohini District Courts, Delhi under Section 397 of the CRPC to quash the Order. Our Company filed a criminal revision application no. 30318 of 2018 (“**Criminal Revision Application**”) under Section 397 of the CRPC before the High Court of Delhi. The High Court of Delhi passed an order dated August 20, 2018 disposing the Criminal Revision Application. The matter is still pending before the High Court of Delhi and the trial is pending before the Metropolitan Magistrate Court.
3. On April 4 2018, SS Sonawane, the sub-divisional officer, Alibaug (“**SDO**”) filed a criminal complaint before the Chief Judicial Magistrate, Raigard, Alibaug (“**CJM**”), against Ajay Piramal under section 15 of the Environment Protection Act, 1986 in relation to alleged unauthorised construction on property bearing Gut No. 395, Village Akshi, Taluka Alibaug, thereby violating the provisions of the coastal regulation zone (“**Complaint**”). CJM, vide its order dated April 13, 2018 (“**Order**”), passed an order of issue process against our Promoter. The criminal revision application in the Court of Addl. Sessions Judge, Alibaug (“**Court**”) was filed challenging the summons issued by the Magistrate court on the ground that the Complaint is not tenable as there is no case of illegal construction and that the Complaint should be dismissed. The Court, vide its order dated February

20, 2019, called for records and proceedings from the CJM. The proceeding before Magistrate is currently stayed. The matter is currently pending.

4. A first information report (“**FIR**”) dated July 3, 2020, was filed before the Vikasnagar, Lucknow Police Station against the management of Piramal Foundation including Ajay Piramal by Neetu Shahi, an ex-employee of Piramal Foundation, challenging her termination and alleging *inter alia* cheating, dishonesty, and criminal breach of trust. While the matter was pending before the additional chief judicial magistrate, Lucknow (“**ACJM**”), a writ petition dated July 23, 2020, has been filed before the High Court of Allahabad, Lucknow Bench, for quashing the FIR (“**High Court**”). The accused have contended that the FIR has been lodged with *mala fide* intentions since the intimidation for reinstatement of the employment did not work, the prosecution story as contained in the FIR was false and fictitious. The High Court, vide its order dated July 28, 2020, has granted relief of protection against arrest. The police have filed a final report for closure before the ACJM and the writ petition has also been dismissed as infructuous by the High Court. The matter is currently pending before the ACJM.
5. Aegean Infotech Private Limited (the “**Complainant**”) filed a first information report (“**FIR**”) dated July 2, 2017 before the police station, Gautambudhnagar, Uttar Pradesh (“**Police Station**”) against Snapdeal Limited (now known as AceVector Limited) (“**Snapdeal**”), the board of directors including Kunal Bahl, and four former employees of Snapdeal (collectively known as the “**Accused Persons**”) in relation to misappropriation of funds belonging to the Complainant, by the Accused Persons arising out of a payment reconciliation between Snapdeal and the Complainant. The dispute was settled between all the parties vide settlement agreement dated July 13, 2017 pursuant to which Snapdeal paid a settlement amount of ₹ 7.00 crores to the Complainant. Pursuant to this, the settlement was intimated to the investigating officer concerned at the police station. Accordingly, the Police conducted an investigation in the matter and filed a satisfactory closure report before the Chief Metropolitan Magistrate, Noida, Uttar Pradesh (“**CMM**”), for acceptance of the closure report. The closure report is currently pending approval of the CMM and the matter is next listed on December 2, 2023.
6. A first information report (“**FIR**”) number 201 of 2022 was registered on 18<sup>th</sup> July 2022 at police station Chitranjan Park in New Delhi under the Arms Act, 1959 against some third party individuals for possession and sale of button operated folding knives in Delhi through offline and online ecommerce platforms. Subsequently Snapdeal, Mr. Kunal Bahl and Mr. Rohit Bansal (“**Directors**”) received notice no. 1351 dated August 12, 2022 under section 91/160 of Criminal Procedure Code (“**CrPc**”) from the Investigating Officer (“**I.O**”) concerned at police station Chitranjan Park, Delhi seeking information in relation to the investigation being conducted by the I.O. Thereafter, Snapdeal and the Directors were represented before the I.O through authorised representatives of the Company seeking exemption from personal appearance of Directors in light of Snapdeal’s continued cooperation in the matter. Thereafter, the investigating officer concerned has issued notices dated July 18, 2022 to Directors (“**Notices**”) under section 41A of the CrPc directing their personal appearance before the I.O seeking information in relation to the matter. Thereafter, the Directors filed a writ petition no. W.P (CRL) 989/2023 before the High Court of Delhi to quash the said Notices issued to them. The High Court of Delhi pursuant to an order dated April 13, 2023 directed the police station Chitranjan Park, Delhi to not take any coercive actions against the Directors subject to the continued participation and cooperation of the Nodal officer of Snapdeal, to the investigation and has directed the I.O to submit a status report of the investigation. The matter is currently pending.
7. The Central Bureau of Investigation (“**CBI**”) had registered an first information report (“**FIR**”) (R.C. No. 19(A)/2011-CBI/Hyd. dated 17.08.2011) and on completion of investigation, CBI filed Charge Sheet (CC No. 12/2013 dated 08.04.2013) (“**CBI Case**”) before the Special Judge, CBI, Hyderabad (“**Special Judge**”) against Dalmia Cement (Bharat) Limited (“**DCBL**”) under section 120-B read with section 420, and under section 420 of Indian Penal Code, 1860 (“**IPC**”) and Puneet Yadu Dalmia under Section 120B read with section 420 and under section 420 of IPC and under Section 12 of the Prevention of Corruption Act, 1988 in relation to an investment made by DCBL in Bharati Cements Corporation Private Limited and Eswar Cements Private Limited for the benefit of Y S Jagan Mohan Reddy as a quid-pro-quo for the grant of prospecting license and mining lease over 407.05 hectares of lime stones at Kadapa, Andhra Pradesh. Pursuant to the CBI Case, the Special Judge, vide its order dated 13.05.2013, had taken cognizance and issued summons against DCBL and Puneet Yadu Dalmia. Thereafter, Puneet Yadu Dalmia filed an application (CRL. M. P No. 393/2022) seeking discharge in CBI Case, which is currently pending consideration on August 31, 2023.

## *II. Regulatory matters*

1. Serious Fraud Investigation Office, Chennai (“**SFIO**”) had issued eleven summons and notices from May 21, 2020 till December 22, 2021 seeking certain information/documents from Dalmia Bharat Limited including its subsidiaries; Dalmia Cement (Bharat) Limited (“**Dalmia Cement**”) and Calcom Cement India Limited (Now, known as Dalmia Cement (North-East Limited) (Dalmia Bharat Group) in relation to an investigation initiated pursuant to an order No. 01/77/2017/CL.II (SR) dated December 10, 2019 passed by Central Government (Ministry of Corporate Affairs) in exercise of power vested under section 212(1)(a) & (C) of the Companies Act, 2013 based on a complaint filed by Ramesh Shiledar, an associate of Bawri Group (erstwhile promoters of Calcom Cement India Ltd, now a subsidiary of Dalmia Cement (Bharat) Limited. Dalmia Bharat Group had duly furnished all requisite information/documents to SFIO, and no adverse finding has been reported to Dalmia Bharat Group nor any further information/documents sought for after December 22, 2021. However, an email dated June 23, 2020 sent by SFIO to company secretary of Dalmia Cement seeking certain information/documents from Puneet Yadu Dalmia, which was duly replied by Puneet Yadu Dalmia on June 29, 2020.
2. The Central Bureau of Investigation (“**CBI**”) had registered a first information report (“**FIR**”) (R.C. No. 19(A)/2011-CBI/Hyd. dated August 17, 2011) and forwarded the same to Enforcement Directorate (“**ED**”), Prevention of Money Laundering Act (“**PMLA**”). Pursuant to the FIR, ED registered an ECIR No. 9/HZO/2011 dated August 30, 2011 against Dalmia Cement (Bharat) Limited (“**DCBL**”). On October 20, 2014, ED issued summons under Section 50(2) & (3) of the PMLA against Puneet Yadu Dalmia and DCBL (Petitioners/Appellants). The impugned summons was challenged before High Court of Telangana (“**High Court**”) by filing Writ Petition Nos. 36838/2014 & 31143/2015 and sought protection under Article 20(3) of the Constitution of India. The said writ petition was dismissed vide common order dated February 29, 2016 by the High Court on the ground that the Petitioners are not an accused under PMLA at this stage. The said order is currently under challenged by the Appellants before Division Bench of High Court. During the pendency of above Writ Appeals (W.A Nos. 198-199/2016), ED had issued four (4) summons dated May 17, 2022, May 30, 2022, July 19, 2022, and July 28, 2022, seeking certain information/production of documents relating to DCBL, which were duly furnished by DCBL and since then, no fresh summons/notice issued by ED under PMLA.
3. SEBI had issued an order dated October 3, 2016 (“**SEBI Order**”) with respect to the Company, Ajay G. Piramal, Nandini Piramal, and Swati Piramal imposing an aggregate penalty of ₹ 0.06 crores in respect of certain technical non-compliances with the Model Code of Conduct prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992. An appeal was filed by the Company against the SEBI Order pursuant to which the SEBI Order was quashed by the order dated May 15, 2019 passed by the Securities Appellate Tribunal.
4. The Central Bureau of Investigation (“**CBI**”) had registered a first information report (“**FIR**”) (R.C. No. 19(A)/2011-CBI/Hyd. dated August 17, 2011) and forwarded the same to Enforcement Directorate (“**ED**”), Prevention of Money Laundering Act (“**PMLA**”). Pursuant to the FIR, ED registered an ECIR No. 9/HZO/2011 dated 30.08.2011 against Dalmia Cement (Bharat) Limited (“**DCBL**”). On 20.10.2014, ED issued summons under Section 50(2) & (3) of the PMLA against Puneet Yadu Dalmia and DCBL (Petitioners/Appellants). The impugned summons was challenged before High Court of Telangana (“**High Court**”) by filing Writ Petition Nos. 36838/2014 & 31143/2015 and sought protection under Article 20(3) of the Constitution of India. The said writ petition was dismissed vide common order dated February 29, 2016 by the High Court on the ground that the Petitioners are not an accused under PMLA at this stage. The said order is currently under challenged by the Appellants before Division Bench of High Court. During the pendency of above Writ Appeals (W.A Nos. 198-199/2016), ED had issued four (4) summons dated May 17, 2022, May 30, 2022, July 19, 2022, and July 28, 2022, seeking certain information/production of documents relating to DCBL, which were duly furnished by DCBL and since then, no fresh summons/notice issued by ED under PMLA.
5. A show cause notice was issued by the Securities Exchange Board of India (“**SEBI**”) against Gautam Bhailal Doshi under rule 4(1) of SEBI (Procedure for holding inquiry and imposing penalties) Rules 1995 and Rule 4(1) of Securities Contracts (Regulation) Procedure for Holding Inquiry and Imposing Penalties Rules, 2005 in the matter of Reliance Home Finance Limited (“**RHFL**”) (the “**Show Cause Notice**”). The Show Cause Notice observes that the audit committee and risk management committee of RHFL failed to discharge the basic duty in respect of the scheme and unfair trade practices are allegedly being followed at RHFL to divert funds from RHFL to the benefit

of other Reliance group entities at the cost of interest of minority shareholders of RHFL. Gautam Bhailal Doshi has submitted a reply said Show Cause Notice and he has resigned as a director of RHFL with effect from May 2, 2019. The matter is still pending before SEBI.

6. In the matter of Central Bureau of Investigation (“CBI”) v A. Raja, Gautam Bhailal Doshi and others, a first information report was registered by CBI on October 21, 2009 against unknown officials of Department of Telecommunications (“DOT”), Government of India, unknown private persons/ companies and others for offences punishable under Section 120-B of the Indian Penal Code, 1860 read with 13(2) and 13(1)(d) of the Prevention of Corruption Act, 1988 on allegations of criminal conspiracy and criminal misconduct in allotment of letters of intent, unified access services, licenses and spectrum by the DOT. Pursuant to an order dated December 21, 2017 (“Order”) passed by the Special Judge, CBI (2G Spectrum Cases), New Delhi the parties accused in this matter were acquitted. Thereafter, an appeal was filed by the CBI against the Order before the High Court of Delhi which is pending admission.

### *III. Tax proceedings*

1. The Principal Commissioner of Income-tax, Mumbai, passed a revision order dated March 29, 2023 (“**Order**”) under section 263 of the Income Tax Act, 1961 for the Assessment Year 2015-16. Aggrieved by the same, Ajay Piramal filed an appeal no. ITA/3018/Mum/2019 before Income tax Appellate Tribunal (“**Income Tax Appellate Tribunal**”) challenging the Order. The Income Tax Appellate Tribunal had quashed the said Order. Pursuant to the same, there is no tax demand outstanding as on date. However, the Income Tax department was aggrieved by the order of the Income Tax Appellate Tribunal and have filed an appeal no. ITXAL/14667/2021 dated July 8, 2021 before the High Court of Bombay. The said appeal is pending for admission before High Court as on date.
2. A return of income has been filed on October 31, 2022. A notice under section 143(2) of the Income Tax Act, 1961 has been issued to Kunal Bahl (“**Assessee**”) and a notice dated August 4, 2023 under Section 142(1) of the Income Tax Act, 1961 has been issued to the Assessee asking for the submission of some information/ documents. A partial response to such notice has been submitted on August 21, 2023 and the remaining information will be submitted in due course of time.

### *Litigation by our Directors*

NIL

### **C. Litigation involving our Promoter**

#### *Litigation against our Promoter*

##### *I. Criminal*

1. Loknath Ratnakar (“**Complainant**”) has filed a criminal complaint case no 2522(C) of 2002 (“**Complaint**”) before the Court of Chief Judicial Magistrate, Patna against our Company (in its erstwhile name ‘Nicholas Piramal India Limited’) and our promoter, Ajay G. Piramal alleging offences under Sections 420, 406 and 120-B, of the Indian Penal Code, 1860. The Complaint has been filed on the grounds that our Company has taken a road permit through the Complainant but has supplied the products through another clearing and forwarding agent, other than the Complainant. The Chief Judicial Magistrate Patna vide order dated February 2, 2004 took cognizance of the offences as alleged by the Complainant and issued summons against our Company and others. The judicial files in relation to this matter are untraceable and a complaint was lodged before the registrar, Patna Civil Court regarding the untraceable files. This matter is currently pending.
2. On April 4 2018, SS Sonawane, the sub-divisional officer, Alibaug (“**SDO**”) filed a criminal complaint before the Chief Judicial Magistrate, Raigard, Alibaug (“**CJM**”), against Ajay Piramal under section 15 of the Environment Protection Act, 1986 in relation to alleged unauthorised construction on property bearing Gut No. 395, Village Akshi, Taluka Alibaug, thereby violating the provisions of the coastal regulation zone (“**Complaint**”). CJM, vide its order dated April 13, 2018 (“**Order**”), passed an order of issue process against our Promoter. The criminal revision application in the Court of Addl. Sessions Judge, Alibaug (“**Court**”) was filed challenging the summons issued by the Magistrate court on the ground that the Complaint is not tenable as there is no case of illegal construction and that the Complaint should be dismissed. The Court, vide its order dated February

20, 2019, called for records and proceedings from the CJM. The proceeding before Magistrate is currently stayed. The matter is currently pending.

3. A first information report (“**FIR**”) dated July 3, 2020, was filed before the Vikasnagar, Lucknow Police Station against the management of Piramal Foundation including Ajay Piramal by Neetu Shahi, an ex-employee of Piramal Foundation, challenging her termination and alleging *inter alia* cheating, dishonesty, and criminal of trust. While the matter was pending before the additional chief judicial magistrate, Lucknow (“**ACJM**”), a writ petition dated July 23, 2020, has been filed before the High Court of Allahabad, Lucknow Bench, for quashing the FIR (“**High Court**”). The accused have contended that the FIR has been lodged with *mala fide* intentions since the intimidation for reinstatement of the employment did not work, the prosecution story as contained in the FIR was false and fictitious. The High Court, vide its order dated July 28, 2020, has granted relief of protection against arrest. The police have filed a final report for closure before the ACJM and the writ petition has also been dismissed as infructuous by the High Court. The matter is currently pending before the ACJM.
4. Ashok Kumar Lakhota and Aditya Vikram Lakhota (the “**Complainants**”) availed a non-housing home loan (the “**Housing Loan**”) from First Blue Home Finance Limited (which thereafter came to be known as Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”)) by offering their immovable property as collateral security to PCHFL. The Complainants alleged that they had settled the housing loan through a one-time settlement (“**OTS**”) of ₹ 33.72 lakhs on October 30, 2020 that was paid in three equal instalments till December 30, 2020 and were issued a no-objection certificate from a representative of PCHFL. However, PCHFL alleged that the housing loan had not been settled through OTS and four EMIs were due and payable by the Complainants as of June 2021 and the account shall be classified as a non-performing asset on the basis of non-payment of the settlement amount. Thereafter, PCHFL issued a notice dated August 10, 2021 to the Complainants under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recovery of an amount of ₹ 72.32 lakhs. The Complainants alleged that PCHFL had fraudulently classified a closed loan account as a non-performing asset and withheld the original documents in relation to the OTS of the outstanding loan amount with the intention of cheating, misappropriation and fraud upon the Complainants. Thereafter, the Complainants filed a complaint case no. CS/81045 of 2021 (“**Complaint**”) before the Court of Chief Metropolitan Magistrate, Kolkata (“**Chief Metropolitan Court**”) under Section 420, 406, 468, 477, 477A and 120B of the Indian Penal Code, 1860 against PCHFL, amongst other alleging that (i) PCHFL had denied the OTS of the loan by the Complainants; (ii) fraudulently classified the closed loan account as a non-performing asset; and (iii) cheated, misappropriated and committed fraud upon the Complainants by withholding the original papers, deeds and documents of the loan. The Complainants also filed a criminal case no. 95454 of 2021 (“**Complaint 1**”) before the Chief Metropolitan Court alleging offences under Section 500 of the Indian Penal Code, 1860 (the “**Indian Penal Code**”) read with Section 200 of the Code of Criminal Procedure, 1973. The Chief Metropolitan Court passed an order dated December 29, 2021 where the Chief Metropolitan Court took cognizance of the offences against the Accused and transferred the matter to the Court of Metropolitan Magistrate 19<sup>th</sup> Court, Kolkata (“**Metropolitan Court 19**”). The Metropolitan Court 19 issued a summoning order dated January 5, 2022 against the Accused stating that the allegation under Section 500 of the Indian Penal Code was established *prima facie* against the Accused and an order dated April 26, 2022 erroneously issuing bailable warrants against the Accused (the order dated December 29, 2021 issued by Chief Metropolitan Court; order dated January 5, 2022 and April 26, 2022 issued by Metropolitan Court 19 collectively referred to as “**Orders**”). The matter is currently pending against PCHFL.
8. A first information report (“**FIR**”) dated July 3, 2020, was filed before the Vikasnagar, Lucknow Police Station against the management of Piramal Foundation including Ajay Piramal by Neetu Shahi, an ex-employee of Piramal Foundation, challenging her termination and alleging *inter alia* cheating, dishonesty, and criminal breach of trust. While the matter was pending before the additional chief judicial magistrate, Lucknow (“**ACJM**”), a writ petition dated July 23, 2020, has been filed before the High Court of Allahabad, Lucknow Bench, for quashing the FIR (“**High Court**”). The accused have contended that the FIR has been lodged with *mala fide* intentions since the intimidation for reinstatement of the employment did not work, the prosecution story as contained in the FIR was false and fictitious. The High Court, vide its order dated July 28, 2020, has granted relief of protection against arrest. The police have filed a final report for closure before the ACJM and the writ petition has also been dismissed as infructuous by the High Court. The matter is currently pending before the ACJM.

## *II. Tax proceedings*

1. The Principal Commissioner of Income-tax, Mumbai, passed a revision order dated March 29, 2023 (“**Order**”) under section 263 of the Income Tax Act, 1961 for the Assessment Year 2015-16. Aggrieved by the same, Ajay Piramal filed an appeal no. ITA/3018/Mum/2019 before Income tax Appellate Tribunal (“**Income Tax Appellate Tribunal**”) challenging the Order. The Income Tax Appellate Tribunal had quashed the said Order. Pursuant to the same, there is no tax demand outstanding as on date. However, the Income Tax department was aggrieved by the order of the Income Tax Appellate Tribunal and have filed an appeal no. ITXAL/14667/2021 dated July 8, 2021 before the High Court of Bombay. The said appeal is pending for admission before High Court as on date.

### *Litigation by our Promoter*

NIL

## **D. Litigation involving our Subsidiaries**

### *Litigation against our Subsidiaries*

#### *I. Criminal matters*

1. Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed a special leave petition no. 2969 of 2023 on February 4, 2023 (“**Petition**”) before the Supreme Court of India challenging the order dated August 4, 2022 passed by the Delhi High Court in writ petition (Cri.) no. 1741 of 2022. Through the order dated August 4, 2022, the Delhi High Court refused to quash the first information report (“**FIR**”) bearing no. RC2242022A00 dated June 20, 2022 registered by the Central Bureau of Investigation, AC-VI, New Delhi (“**CBI**”) which was filed due to an alleged erroneous reading of Section 32A of the Insolvency and Bankruptcy Code, 2016 (“**IBC**”). The Petition questions whether section 32A of the IBC forbids the subsistence of a first information report and continuation of the resultant criminal proceedings against the resolved corporate debtor after successful completion of the corporate insolvency proceedings (“**CIRP**”) under the IBC for offences allegedly committed by the prior management prior to initiation of CIRP. The matter is pending for final hearing before the Supreme Court of India.
2. Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed a writ petition (Cri.) 1758 of 2022 on August 1, 2022 to the Delhi High Court under Section 482 of the Code of Criminal Procedure, 1973 seeking to quash the first information report (“**FIR**”) bearing no. RC2192021E0002 dated March 15, 2021 for offences made punishable under section 409, 420, 468 and 471 of the Indian Penal Code, 1860 (“**IPC**”) read with sections 13(2) and 13(1)(d) of the Prevention of Corruption Act, 1988. The FIR pertains to acts committed by Dewan housing Finance Limited (“**DHFL**”) (now known as PCHFL), its former management prior to initiation of corporate insolvency process (“**CIRP**”). The basis of the plea is that Section 32A of Insolvency and Bankruptcy Code, 2016 (“**IBC**”) immunizes the successfully resolved entity from any criminal liability. The Central Bureau of Investigation, AC-VI, New Delhi (“**Respondent**”) has filed a reply in the matter objecting the plea submitted by PCHFL. The next date of hearing is January 11, 2024.
3. Ashok Kumar Lakhotia and Aditya Vikram Lakhotia (the “**Complainants**”) availed a non-housing home loan (the “**Housing Loan**”) from First Blue Home Finance Limited (which thereafter came to be known as Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”)) by offering their immovable property as collateral security to PCHFL. The Complainants alleged that they had settled the housing loan through a one-time settlement (“**OTS**”) of ₹ 33.72 lakhs on October 30, 2020 that was paid in three equal instalments till December 30, 2020 and were issued a no-objection certificate from a representative of PCHFL. However, PCHFL alleged that the housing loan had not been settled through OTS and four EMIs were due and payable by the Complainants as of June 2021 and the account shall be classified as a non-performing asset on the basis of non-payment of the settlement amount. Thereafter, PCHFL issued a notice dated August 10, 2021 to the Complainants under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recovery of an amount of ₹ 72.32 lakhs. The Complainants alleged that PCHFL had fraudulently classified a closed loan account as a non-performing asset and withheld the original documents in relation to the OTS of the outstanding loan amount with the intention of cheating, misappropriation and fraud upon the Complainants. Thereafter, the Complainants filed a complaint case no. CS/81045 of 2021 (“**Complaint**”) before the Court of Chief Metropolitan Magistrate, Kolkata (“**Chief Metropolitan**”).



**Court**") under Section 420, 406, 468, 477, 477A and 120B of the Indian Penal Code, 1860 against PCHFL, amongst other alleging that (i) PCHFL had denied the OTS of the loan by the Complainants; (ii) fraudulently classified the closed loan account as a non-performing asset; and (iii) cheated, misappropriated and committed fraud upon the Complainants by withholding the original papers, deeds and documents of the loan. The Complainants also filed a criminal case no. 95454 of 2021 ("**Complaint 1**") before the Chief Metropolitan Court alleging offences under Section 500 of the Indian Penal Code, 1860 (the "**Indian Penal Code**") read with Section 200 of the Code of Criminal Procedure, 1973. The Chief Metropolitan Court passed an order dated December 29, 2021 where the Chief Metropolitan Court took cognizance of the offences against the Accused and transferred the matter to the Court of Metropolitan Magistrate 19<sup>th</sup> Court, Kolkata ("**Metropolitan Court 19**"). The Metropolitan Court 19 issued a summoning order dated January 5, 2022 against the Accused stating that the allegation under Section 500 of the Indian Penal Code was established prima facie against the Accused and an order dated April 26, 2022 erroneously issuing bailable warrants against the Accused (the order dated December 29, 2021 issued by Chief Metropolitan Court; order dated January 5, 2022 and April 26, 2022 issued by Metropolitan Court 19 collectively referred to as "**Orders**"). The matter is currently pending against PCHFL.

For further details, please see "*Litigation by our Subsidiaries - Other criminal matters involving PCHFL*".

4. K. Saryavrat filed a criminal writ petition no. 156 of 2022 dated May 4, 2022 before the Supreme Court of India against the Central Bureau of Investigation ("**CBI**") under Article 32 of the Constitution of India to seek a court monitored investigation by the CBI into the criminal and fraudulent conduct of Dewan Housing Finance Limited ("**DHFL**") (now known as "**PCHFL**") alleging a scam during the corporate insolvency resolution process of DHFL by a deliberate attempt by DHFL to cause wrongful loss of ₹ 40,000 crores to the public by illegally permitting valuable assets of DHFL to be pocketed by PCHFL in violation of law. The matter is currently pending.
5. A sale deed dated September 13, 2018 (the "**Sale deed**") was executed between Natthi Devi as the seller, in favour of the Amita Devi, as the purchaser for the purchase of the immovable property situated at Uttar Pradesh (the "**Immovable property**"). Amita Devi agreed to pay the sale amount of ₹ 11 lakhs to Natthi Devi. Pursuant to a payment schedule, (i) a payment of ₹ 9 lakhs was made via cheque dated August 13, 2018; (ii) a payment of ₹ 1.50 lakhs was to be made by way of an online account transfer to Natthi Devi's bank account; and (iii) a payment of ₹ 0.50 lakhs was to be made in cash. Thereafter, Natthi Devi transferred the immovable property to Amita Devi by way of registered Sale deed without waiting for the clearance of the cheque. However, when Natthi Devi presented the cheque for payment to Union Bank. However, the cheque was dishonoured by Amita Devi's bank, Axis Bank Limited. Dewan Housing Finance Corporation Limited ("**DHFL**") now known as Piramal Capital & Housing Finance Limited ("**PCHFL**") had sanctioned a loan amount of ₹ 9.54 lakhs to Amita Devi to purchase an immovable property. Thereafter, Amita Devi issued a letter to PCHFL requesting the cancellation of the sanctioned loan as they did not want to go ahead with the purchase of the Immovable property. Therefore, the payment of ₹ 9 lakhs made via cheque to Natthi Devi was dishonoured. Natthi Devi filed complaint before the Chief Magistrate at Metropolitan Court, Rohini Court in New Delhi against PCHFL as accused number 1 ("**Accused no. 1**") and Kuldeep Sharma, branch manager as accused number 2 ("**Accused no. 2**") on dishonour of cheque. The Accused no. 1 and Accused no. 2 were liable under section 138 to 142 of the Negotiable Instruments Act, 1881 (the "**NI Act**") and section 118 of the NI Act in relation to the cheque issued in favour of Natthi Devi. The matter is currently pending.
6. Pushpa Tripathi purchased a property from Natraj Project Developers Private Limited ("**Natraj Project Developers**") for an amount of ₹ 22 lakhs and made a payment in cash of an amount of ₹ 2 lakhs. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited ("**PCHFL**") sanctioned and disbursed a loan amount of ₹ 16.22 lakhs to Pushpa Tripathi for the purchase of the property. A sale deed dated October 6, 2016 was executed in favour of Pushpa Tripathi and PCHFL handed over two cheques to the director of Natraj Project Developers. The cheque of ₹ 10.20 lakhs was in the name of Natraj Project Developers and the cheque of ₹ 5.80 lakhs was in the name of Pushpa Tripathi. The cheque in the name of Pushpa Tripathi was encashed and the balance amount was handed over to the real estate agent on behalf of Natraj Project Developers. However, Natraj Project Developers failed to handover the physical possession of the property on the pretext that the handover will be completed on receipt of the balance amount of ₹ 5.80 lakhs. PCHFL had kept the original sale deed in their possession and after completion of documentation, deducted EMI's from Pushpa Tripathi's salary. Thereafter, Natraj Project Developers handed over the possession of the property to Pushpa Tripathi on October 4,

2019 on additional payment of an amount of ₹ 4 lakhs. However, the sale deed was executed for a property that was situated on the ground floor. However, Pushpa Tripathi was handed over possession to a different flat in the stilt area. Therefore, the sale deed had to be rectified so that Pushpa Tripathi could get actual ownership of the flat that she was residing in. Pursuant to this, Pushpa Tripathi filed a written complaint dated August 6, 2020 to the station house officer of the police station for registration of a first information report (“**FIR**”) against PCHFL, Natraj Project Developers and the real estate agent. Since no action was taken for registration of the FIR, Pushpa Tripathi filed a complaint under Section 200 of the Code of Criminal Procedure, 1973 (“**CRPC**”) and an application under Section 156(3) of the CRPC (“**Application**”). The Trial Court vide the order dated September 12, 2022 (“**Impugned Order**”) dismissed the Application filed by Pushpa Tripathi. Thereafter, a criminal revision petition number 139 of 2022 dated September 27, 2022 was filed by Pushpa Tripathi before the District and Session Judge, (Shahdara District) Karkardooma Courts, Delhi against PCHFL to set aside the Impugned Order. The matter is currently pending.

7. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) sanctioned a loan amount of ₹ 24.58 crores to Ashima Chopra and her husband Girish Chopra (the “**Complainants**”) to purchase three properties. The properties were sold, and possession was handed over to the Complainants. Thereafter, the Complainants found that certain of these properties were already mortgaged with PCHFL. Pursuant to this, four different first information reports (“**FIR**”) including FIR no.42/2014, FIR no.51/2014, FIR no.43/2014, FIR no.69/2014 were registered by the Complainants before Chief Metropolitan Magistrate, Saket Court, New Delhi] (“**CMM Court**”) against PCHFL. Further, the Complainants have registered criminal cases Cri. C no. 87403/16, Cri. C no. 87401/16, Cri. C no. 87402/16 and Cri. C. no. 87400/16 against PCHFL. The CMM Court passed an impugned order dated December 24, 2016 listing the matter on January 18, 2017. The Complainants have also filed criminal revision petition no. 124 of 2017 with respect to FIR no. 69/2014 and criminal revision petition no. 113 of 2017 with respect to FIR no. 42 of 2014 (“**Criminal Revision Petitions**”) which have been disposed vide order dated May 17, 2022 issued by the Trial Court and the Trial Court is directed to pass a fresh order for the purpose of deciding whether PCHFL should be summoned. The matter is currently pending.
8. Lovel Jain, and Sanjay Sahni, on behalf of a society, Techomes Flat Buyers Association (“**Complainant Society**”) filed a first information report no. 66/ 2017 dated April 20, 2017 against M/s Shubhkamna Buildtech Private Limited (“**Shubhkamna Buildtech**”), Diwakar Sharma and Piyush Tiwari, the directors (“**Accused Directors**”) ( collectively known as the “**Accused**”) on behalf of their members, under section 34, 406, 409, 417 420, 409 and 120B of the Indian Penal Code, 1860 before the Economic Offences Wing, New Delhi. Shubhkamna Buildtech announced and publicised their project by stating that Shubhkamna Buildtech has planned and is proposing to construct a total of 594 apartments in a project called ‘shubhkamna-advert techomes’ (“**Shubhkamna Project**”). Thereafter, on the promises and representations made by the Accused Directors, the members of the Complainant Society booked the property in the Shubhkamna Project and made the full or substantial payment towards sale consideration of their respective flats. However, it came to the knowledge of the members of the Complainant Society that after receiving nearly 95% of the total sale consideration of the apartments, Shubhkamna Buildtech had allegedly, fraudulently and intentionally stopped construction on the site. Thereafter, the members of the Complainant Society, filed a criminal case no. 4300/2018 against DHFL with the Chief Metropolitan Magistrate (District) Karkardooma Courts, Delhi. The matter is currently pending.
9. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) sanctioned and disbursed a loan to Vishal Vasudev Patel, proprietor of Shiv Trading Co. Thereafter, a cheque that was issued by Vishal Vasudev Patel for the settlement of loan amount of ₹ 5.55 crores on behalf of PCHFL. However, when the cheque was presented by PCHFL for encashment, it was returned unpaid due to insufficiency of funds. Thereafter, PCHFL issued a legal demand notice dated December 17, 2020 to Vishal Vasudev Patel but the cheque was still unpaid within 15 days of issuing the notice and therefore the cheque was dishonoured. Thereafter, PCHFL filed a criminal complaint no. NACT/6614/2021 before the Judicial Magistrate First Class, District Court, Gurugram against Vishal Vasudev Patel under Section 138/142 of the Negotiable Instruments Act, 1881. Thereafter, Vishal Vasudev Patel filed a criminal miscellaneous petition no. 8957 of 2023 before the High Court of Punjab and Haryana at Chandigarh against PCHFL seeking quashing of case number NACT/6614/2021 along with subsequent proceedings including an order dated February 15, 2021, before the Judicial Chief Magistrate Court, Gurugram as Vishal Vasudev Patel had submitted three security cheques with PCHFL and the entire loan amount was transferred to the developers of Avenue 54 for construction of a housing project. However, the developer was declared insolvent, and the construction was stopped. Thereafter, the High Court of Bombay

restrained PCHFL from recovering any loan amount from Vishal Vasudev Patel. However, PCHFL continued the complaint for the recovery of the loan amount under Section 138 of the Negotiable Instruments Act, 1881. The matter is currently pending.

10. Jitendra Mamtani, director of Ikon Dwelling India Private Limited ("**Ikon Dwelling**") entered into an agreement with Aseem Raj George for the sale of a property in the project, Ikon Meridian for a consideration amount of ₹ 13 lakhs. Aseem Raj George made a payment of ₹ 3 lakhs and thereafter, Ikon Dwelling issued a demand notice for payment of the amounts of ₹ 10.80 lakhs and ₹ 1.28 lakhs in July and August 2011, respectively. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited ("**PCHFL**") sanctioned a loan of ₹ 9.99 lakhs to Aseem Raj George which was disbursed to the Ikon Dwelling. Aseem Raj George repaid the loan installments through cheques. Thereafter, on completion of the project, Aseem Raj George issued a legal notice to Ikon Dwelling to register the sale deed and transfer possession in favour of Aseem Raj George. Thereafter, it came to the knowledge of Aseem Raj George that the property was sold to PCHFL in September 2017 and approached the station house officer of the police station at Kolar, Bhopal, Madhya Pradesh to make a written complaint but no action cognizance was taken against Ikon Dwelling. Therefore, Aseem Raj George filed a petition number 15484/2018 under section 482 of the Code of Criminal Procedure, 1973 before the High Court of Madhya Pradesh for registration of first information report in the police station at Kolar, Bhopal, Madhya Pradesh and an interlocutory application no. 13479/ 2018 dated August 7, 2018 before the High Court of Madhya Pradesh taking documents on record. The matter is currently pending.
11. Prashant Thakre filed a petition no. 29854 of 2018 dated July 24, 2018 before the High Court of Madhya Pradesh under Section 482 and Section 407 of the Code of Criminal Procedure, 1973 against Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited ("**PCHFL**") for quashing the first information report no. 42/2017 filed by PCHFL on January 1, 2017 under Section 420, 467, 468, 471 and 34 of the Indian Penal Code, 1860 that was registered by the police station at Madan Mahal, Jabalpur. PCHFL had sanctioned loans to eight borrowers, and on enquiry it was discovered that some of the borrowers, including Prashant Thakre, had fraudulently obtained loans from PCHFL by submitting forged and fabricated documents and committed default in the payment of installments for the repayment of the loans. The matter is currently pending.
12. Sunil Kosta filed a petition no. M.Cr.C.No. 29687/2018 before the High Court of Madhya Pradesh under Section 482 and 407 of the Code of Criminal Procedure, 1973 against Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited ("**PCHFL**") for quashing the first information report no. 42/2017 filed by PCHFL on January 1, 2017 under Section 420, 467, 468, 471 and 34 of the Indian Penal Code, 1860 that was registered by the police station, Madan Mahal, Jabalpur. PCHFL had sanctioned loans to eight borrowers, and on enquiry it was discovered that some of the borrowers, including Sunil Kosta, had fraudulently obtained loans from PCHFL by submitting forged and fabricated documents and had committed default in the payment of installments for the repayment of the loans.
13. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited ("**PCHFL**") filed first information report no. 42/2017 on January 1, 2017 ("**FIR**") under Section 420, 467, 468, 471 and 34 of the Indian Penal Code, 1860 that was registered by the police station, Madan Mahal, Jabalpur. PCHFL sanctioned loans to eight borrowers, and on enquiry it was discovered that some of the borrowers, including Mahaveer Kotwar, had fraudulently obtained loans from PCHFL by submitting forged and fabricated documents and had committed default in the payment of installments for the repayment of the loans. Thereafter, Mahaveer Kotwar filed a bail application before the High Court of Madhya Pradesh, Jabalpur. The State is prosecuting against Mahaveer Kotwar in the FIR and matter is pending before the Sessions Court of Jabalpur.
14. Dewan Housing Finance Corporation Limited ("**DHFL**") now known as Piramal Capital & Housing Finance Limited ("**PCHFL**") filed a criminal writ petition no. 185 of 2021 ("**Petition**") before the High Court of Uttarakhand against the first information report no. 0059 ("**FIR**") dated April 22, 2020 filed by Madhu Gupta and her husband, Sanjeev Gupta (now deceased) ("**Borrowers**") against PCHFL in relation to offences under sections 420, 467, 468, 471 and 120B of the Indian Penal Code, 1860 registered at the police station, Dehradun, Uttarakhand. An order dated February 1, 2021 was passed in relation to no coercive action to be taken against PCHFL. The Petition was filed to quash the notice dated February 19, 2021 under Section 91 of the Code of Criminal Procedure, 1973 ("**CRPC**") issued to PCHFL. The Borrowers filed the FIR under section 156(3) of the CRPC alleging that the death of the borrower, her husband Sanjeev Gupta (her deceased spouse) had occurred on

September 20, 2015. It was also alleged that the signature of the late Sanjeev Gupta had been forged by PCHFL and fraudulently showed him to be alive in 2019 by submitting the cheque for encashment. Thereafter, the Chief Judicial Magistrate vide order dated March 17, 2020 accepted the allegations and the Complaint was filed by Madhu Gupta. PCHFL had sanctioned a loan of ₹ 3 crores in favour of the Borrowers vide loan agreement dated February 26, 2015 (“**Loan Agreement**”). Thereafter, the Borrowers committed default in the repayment of the loan amount and a loan recall notice was issued by PCHFL upon the Borrowers calling upon them to repay the remaining due amount. Pursuant to the dishonour of the cheque presented by the Borrowers, PCHFL initiated proceedings under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. PCHFL filed an application before the High Court of Uttarakhand against the co-borrower for quashing of the FIR filed against Ramesh Kanha, wherein stay granted till the hearing and final disposal of quashing application. The matter is currently pending.

15. Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed a complaint dated September 6, 2022 against Sahajanad Buildcon Private Limited (“**SBPL**”), amongst other, (together, the “**Shreeji Group**”) for offences under section 403, 406, 420, 468 read with section 120B and 34 of the Indian Penal Code, 1860. PCHFL had sanctioned a loan of ₹ 7.50 crores to the promoters of SBPL (“**Borrowers**”) for the development of two of their residential projects at Ahmedabad, known as ‘Devkrupa Flora’ and ‘Devkrupa Avenue’ undertaken by SBPL. However, the Borrowers allegedly committed default in repayment of loan installments and PCHFL issued notices to the Borrowers for repayment under section 13(2) of the Securitization and Reconstruction of Financial Assets, 2002 and it came to the notice of PCHFL that the flats that were mortgaged were allegedly sold to buyers without their knowledge. The matter is currently pending.
16. Karne Hospital Private Limited (“**Complainant**”) filed a case number 49/2021 against Dewan Housing Finance Limited (“**DHFL**”) now known as Piramal Capital & Housing Finance Limited and Pramerica Life Insurance Company Limited (“**Pramerica Life Insurance**”) before the National Consumer Disputes Redressal Commission, New Delhi, involving an amount of ₹ 338.15 crores in relation to three loans sanctioned to the Complainants by DHFL. Thereafter, it was alleged by the Complainants that that DHFL and Pramerica Life Insurance through unfair contract terms and conditions, coercion and duress forced the Complainant who had availed loans to purchase insurance policies from Pramerica Life Insurance Company and security interest was created on the properties at the time of availing the loans, security deposit cheques were deposited by the Complainant and post loan sanction and disbursement interest amounts were charged from the Complainant causing wrongful loss to them. Thereafter, two of the loan accounts were closed and the one pending loan account was declared as a non-performing asset pursuant to non-payment of installments and recovery proceedings were initiated by DHFL. Thereafter, an order dated October 11, 2022 was passed by the Debts Recovery Tribunal, Pune (“**DRT**”) directing the Complainants to make a one-time settlement payment to DHFL against the interim application no. 1732/2022 was filed by the Complainant for stay on the notice initiating the possession of the mortgaged property order. Thereafter, DHFL moved for the possession of the mortgaged property and a notice was issued fixing the date of possession as July 12, 2023. The Complainant filed an interim application no. 1538 of 2023, which was rejected by the DRT. The matter is currently pending.

## *II. Regulatory matters*

1. Securities Exchange Board of India (“**SEBI**”) issued a show cause notice dated September 6, 2019 (“**SCN**”) and subsequently a supplementary show cause notice dated October 9, 2020 (“**Supplementary SCN**”) to Piramal Investment Advisory Services Private Limited (“**PIASPL**”), the sponsor and investment advisor of Piramal Investment Opportunities Fund (“**PIOF**”), which was established as a category II alternative investment fund under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012 (the “**AIF Regulations**”), and the directors of PIOL (collectively, the “**Noticees**”) to conduct an inspection to examine the compliance of PIOF with the regulatory requirements under the Securities and Exchange Board of India Act, 1992 (the “**SEBI Act**”) and the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (the “**Adjudication Rules**”) for the period from September 23, 2013 to January 5, 2015, and to inter alia inquire and adjudicate the violation of section 15HB of the SEBI Act, the violation of provisions of the AIF Regulations, and the SEBI master circular no. CIR/ISD/AML/3/2010 dated December 31, 2010. The Noticees filed settlement applications proposing to settle the adjudication proceedings commenced by the SCN and the Supplementary SCN and a payment of ₹ 0.77 crores was made by the Noticees on June 22, 2023. The settlement order for the same was passed SEBI on June 30, 2021. The matter is currently pending.

2. The Securities Exchange Board of India (“**SEBI**”) issued a show cause notice dated December 24, 2019 to PCHFL. Catalyst Trusteeship Limited, a SEBI registered debenture trustee (the “**Debenture Trustee**”) gave a reference to a department of SEBI (the “**OD**”) in relation to issuance of non-convertible debentures (the “**NCDs**”) by PCHFL. Thereafter, the OD of SEBI conducted examination and initiated adjudication proceedings against PCHFL to inquire and adjudge the non-compliance of the provisions of regulation 16(1) of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (the “**ILDS Regulations**”) read with rules 18(7)(b)(ii) and 18(7)(c) of the Companies (Share Capital and Debentures) Rules, 2014 and regulation 52(1) read with 52(4) of the SEBI (Listing and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) and made allegations against PCHFL including (i) the non-creation of a debenture redemption reserve as per regulation 16(1) of the ILD Regulations; and (ii) delay in submission of audited financial statements for the financial year 2018-19 within the prescribed time as per regulation 52(1) of the LODR Regulations. The Adjudicating Officer, SEBI passed an order dated May 29, 2020 (“**SEBI Order**”) against Dewan Housing Finance PCHFL imposing a penalty of ₹ 20 lakhs for violation of securities law. Pursuant to this, PCHFL filed an appeal dated July 8, 2020 to quash the SEBI Order. The Securities Appellate Tribunal (“**SAT**”) quashed the SEBI Order vide its order dated October 9, 2020 (“**SAT Order**”) as the SEBI Order was contrary to the moratorium sanctioned under section 14 of the Insolvency and Bankruptcy Code, 2016 provided by the NCLT by an order dated December 3, 2019 during the corporate insolvency resolution process against Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”). SEBI was aggrieved by the SAT Order and filed an appeal no. 206 of 2020 before the Supreme Court of India to set aside the SAT Order. The matter is currently pending.
3. The National Housing Bank (the “**NHB**”) issued a caution letter dated November 14, 2022 to Piramal Capital & Housing Finance Limited (“**PCHFL**”) in relation to delay in submission of Schedule II return as on September 30, 2021 as per the Online Reporting Management System (“**ORMIS**”) of the NHB. PCHFL had submitted the response to NHB via letter dated November 30, 2022 stating that the delay in submission of Schedule II return was due to operational challenges in preparation of financial statements and data details pursuant to the merger of the erstwhile entities, PCHFL and Dewan Housing Finance Corporation Limited (“**DHFL**”). PCHFL has not received any further correspondence from NHB in this regard.
4. The National Housing Bank (the “**NHB**”) has issued a caution letter dated September 29, 2022 to Piramal Capital & Housing Finance Limited (“**PCHFL**”) in relation to incorrect reporting of entire loan book as part of project loans in Schedule IV return as per the Online Reporting Management System (“**ORMIS**”) of the NHB as on March 31, 2022. PCHFL had submitted the revised Audited Schedule IV return for the quarter ended March 31, 2022, on the Online Reporting Management System portal on October 7, 2022. PCHFL has not received any further correspondence from NHB in this regard.
5. The National Housing Bank (the “**NHB**”) issued a show cause notice dated June 19, 2019 to Piramal Capital & Housing Finance Limited (“**PCHFL**”) in relation to non - disclosure of information in terms of Housing Finance Companies - Corporate Governance (NHB) Directions, 2016 where PCHFL has not disclosed the provisions created for CRE, CRE (RH) portfolios separately in the balance sheet as on March 31, 2018 and to show cause as to why a penalty of ₹ 5,000 should not be levied on PCHFL. PCHFL had submitted the response via letter dated July 3, 2019 which mentions that the provision shown in the NHB disclosure in the annual financial statements for the year ended March 31, 2018 includes the provisions created on CRE, CRE (RH) portfolio. PCHFL has not received any further correspondence from NHB in this regard.
6. The National Housing Bank (the “**NHB**”) issued a show cause notice dated April 23, 2020 to Piramal Capital & Housing Finance Limited (“**PCHFL**”) in relation to inspection of PCHFL, as per provisions of the National Housing Bank Act, 1987 with reference to its position as on March 31, 2019 in relation to breach of the Loan-To-Value norms in 7 cases, excluding the financing of insurance and to show cause as to why a penalty of ₹ 35,000 should not be levied on PCHFL. PCHFL had submitted the response via letter dated May 8, 2020. PCHFL has not received any further correspondence from NHB in this regard.
7. The National Housing Bank (the “**NHB**”) issued a show cause notice dated September 1, 2020 to Piramal Capital & Housing Finance Limited (“**PCHFL**”) to show cause as to why a penalty of ₹ 755,000 should not be levied on PCHFL for non - compliance with the provisions Housing Finance Companies (NHB) Directions, 2010 (“**NHB Directions**”) and policy circulars in relation to (i) breach of the loan-to-value norms in 32 cases under para 27A of the NHB Directions; (ii)

contravention of para 2(1)(zc)(ii) of the NHB Directions in relation to the reasons cited by our Company for the rescheduling and renegotiation of 102 loan accounts; (iii) contravention of the provisions of the policy circular number 41 as our Company had classified the 10 accounts as housing loans on March 31, 2019; (iv) contravention of policy circular number 55 as our Company offered rate reduction in case of 6 retail borrower accounts only against a class of borrowers as mentioned in policy number 55; and (v) contravention of para 30 of the NHB Directions by non-assignment of risk weight based on credit conversion factor for undistributed/ undisbursed amount of individual housing loans/ other loans as per para 30 of the NHB Directions. PCHFL submitted a response to NHB on September 30, 2020. Further, PCHFL submitted the statutory auditor certificate dated December 12, 2020 to NHB for 102 loan accounts, which was requested by the NHB. Thereafter, NHB had issued a letter dated October 7, 2021 to PCHFL that due to change in jurisdiction, the show cause notice dated September 1, 2020 is closed without any opinion on the merit of the case and without prejudice to the right of RBI to take appropriate action as deemed fit.

8. A writ petition no. WP/3610/2021 (“**Petition**”) has been filed by Varun D Jha, amongst other erstwhile shareholders of Dewan Housing Finance Limited (now known as Piramal Capital Housing Finance Limited) against the Securities Exchange Board of India before the High Court of Bombay challenging the constitutional validity of Regulation 3 of SEBI Delisting Regulations, 2021 which seek to impose punishment and discriminate between Varun Jha and 25 other petitioners who are public shareholders of a listed company which seeks delisting and a listed company which has undergone corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016. The matter is currently pending.
9. The National Stock Exchange of India Limited issued a letter dated June 30, 2023 to Piramal Capital and Housing Finance Limited (“**PCHFL**”) in relation to delay in compliance with Regulation 60 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and levied a penalty of ₹ 11,800 (which includes GST of ₹ 1,800). Thereafter, PCHFL paid the penalty amount on July 3, 2023 and vide its letter dated July 4, 2023 applied for a waiver request for the penalty amount. A reply from NSE is awaited.
10. One of our Subsidiaries, Piramal Fund Management Private Limited (“**PFMPL**”), a registered portfolio manager with SEBI under the SEBI Portfolio Managers Regulations 2020 made an investment in Ashiana Landcraft Realty Private Limited on behalf of its investors on March 27, 2018 pursuant to separate discretionary portfolio management agreements, entered between PFMPL and its investors. In this regard, one of the investors, in the past had filed a complaint on the SCORES platform with SEBI in relation to the investment which was disposed of by SEBI by an order dated August 26, 2020. The investor further filed an appeal before the Securities Appellate Tribunal, which was dismissed by an order dated December 7, 2020, on the grounds that the complaint is a private dispute and cannot be adjudicated on the SCORES platform. The investor thereafter filed a claim before the Arbitral Tribunal, Anupam Lal Das, Senior Advocate (Sole Arbitrator) which was rejected on the grounds that, *inter alia*, that the alleged misrepresentation was conveyed to the investor and yet the investor did not seek avoidance.

Certain other investors have also alleged that PFMPL has committed offences under section 409, 420 and 120 B of the Indian Penal Code, 1806 in relation to the aforesaid investments. PFMPL has received a notice from the Department of Economic Offence, Government of West Bengal (“**DOE Kolkata**”) in this regard. The investors also filed a writ petition before the High Court of Calcutta seeking a writ of Mandamus and Certiorari to direct DOE Kolkata to conduct a proper, effective and expeditious investigation of the complaint and to certify and produce all records in relation to the investment before the High Court of Calcutta. The writ petition was disposed of on the grounds that the dispute is of a civil nature and no public element was involved. The High Court of Calcutta further noted that the DOE Kolkata shall not be prevented from enquiring into the matter if it so deems fit in accordance with law. PFMPL has also responded to the notice issued to it by DOE Kolkata.

Further, the Economic Offences Wing, Delhi Police, Mandir Marg, New Delhi, (“**EOW Delhi**”) has also issued a notice to PFMPL based on allegations made by certain other investors and a first information report has also been filed before the EOW Delhi under sections 409, 420 and 120 B of the Indian Penal Code, 1806. Further, PFMPL has been directed by way of a notice issued by the EOW Delhi dated August 18, 2023, to appear before it for the purpose of further investigation. Pursuant to these notices no further action has been initiated including framing of chargesheet

1. IDBI Trusteeship Services Limited, the financial creditor and trustee of Piramal Fund Management Private Limited (“**PFMPL**”) filed an application no. C.P (IB) No. 666/KB/2020 dated March 2, 2020 (“**Application**”) before the National Company Law Tribunal, Kolkata (“**NCLT**”) against Ashiana Landcraft Realty (“**Corporate Debtor**”) under section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 to initiate corporate insolvency process against the Corporate Debtor.. Thereafter, pursuant to an order dated January 11, 2022 passed by the NCLT the Application filed for initiating corporate insolvency process against the Corporate Debtor was admitted. PFMPL has filed a form C with the insolvency resolution professional which was admitted by the resolution professional and the resolution plan was approved by the NCLT on August 11, 2023.
2. IDBI Trusteeship Services Limited, the financial creditor and trustee of Piramal Fund Management Private Limited (“**PFMPL**”) filed a complaint no. 4170/2021 against Ashiana Landcraft Realty in relation to dishonour of a cheque under Section 138 of the Negotiable Instruments Act, 1881.
3. A miscellaneous application number 834 of 2021 (“**Application**”) in SA 102 of 2021 was filed by Dilipkumar Bhagat (“**Borrower**”) against Dewan Housing Finance Corporation Limited (“**DHFL**”) now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) and R. Subramaniakumar, the administrator of DHFL, appointed by the Reserve Bank of India before the Debt Recovery Tribunal – 2 at Ahmedabad in relation to condonation of delay in filing the application under section 17 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“**SARFAESI Act**”) challenging the notice dated December 15, 2020 (“**Notice**”) issued by PCHFL under section 13(4) of the SARFAESI Act against the Borrower and pursuant to the action taken under section 13(2) of the SARFAESI Act in respect of property mortgaged as security. The Borrower had borrowed a sum of ₹ 95 crores from PCHFL as a project loan. Thereafter, the Borrower deposited cheques towards the payment of interest without any default, but PCHFL had committed a default in disbursement of the loan tranches on the due date as per the disbursement schedule that stated that the loan tranches will be disbursed upon completion of a specific stage in the project. However, the Borrower was entitled to challenge the Notice under section 17 of the SARFAESI Act within 45 days from receipt of the Notice and there was a delay by 32 days in filing of the Application. . The matter is currently pending.
4. A miscellaneous application number 835 of 2021 (“**Application**”) in S.A. no. 104 of 2021 was filed by Dilipkumar Bhagat (“**Borrower**”), against Dewan Housing Finance Corporation Limited (“**DHFL**”) now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) and R. Subramaniakumar, the administrator of DHFL, appointed by the Reserve Bank of India before the Debt Recovery Tribunal – 2 at Ahmedabad in relation to condonation of delay in filing the application under section 17 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“**SARFAESI Act**”) challenging the notice dated December 15, 2020 (“**Notice**”) issued by PCHFL under section 13(4) of the SARFAESI Act against the Borrower and pursuant to the action taken under section 13(2) of the SARFAESI Act in respect of property mortgaged as security. The Borrower had borrowed a sum of ₹ 45 crores from PCHFL as a project loan. Thereafter, the Borrower deposited cheques towards the payment of interest without any default, but PCHFL had committed a default in disbursement of the loan tranches on the due date as per the disbursement schedule that stated that the loan tranches will be disbursed upon completion of a specific stage in the project. However, the Borrower was entitled to challenge the Notice under section 17 of the SARFAESI Act within 45 days from receipt of the Notice and there was a delay by 32 days in filing of the Application. The matter is currently pending.

#### IV. *Other matters*

1. As part of the corporate resolution insolvency process (“**CIRP**”) against Dewan Housing Finance Limited (“**DHFL**”) before the National Company Law Tribunal (“**NCLT**”), the administrator for the CIRP (“**Administrator**”) pursued certain matters under Section 43, 45, 47, 49 and 50 of the Insolvency and Bankruptcy Code, 2016 (“**IBC**”) (such matters shall be referred to as the “**Avoidance Transactions**”). Upon completion of the CIRP and approval of the resolution plan dated December 22, 2020 (the “**Resolution Plan**”), the Administrator submitted details in relation to the Avoidance Transactions to the committee of creditors (“**CoC**”). As part of the Resolution Plan, PCHFL undertook to pursue, on a best efforts basis, the applications filed by the Administrator for the Avoidance Transactions. However, any monetary amount (“**Allocated Amount**”) received by PCHFL as a result of the orders passed by the NCLT in relation to such Avoidance Transactions will be distributed to the financial creditors, allocated pro rata to the extent of their financial debt, and the Allocated Amount will be net of costs and expenses (including taxes). However, the CoC may

in its discretion adopt a different manner of distribution (which may take into account the order of priority amongst the financial creditors as laid down in section 53(1) of the IBC) Certain avoidance applications have also been filed by the Administrator against the erstwhile promoters of DHFL under, Section 66 of the IBC and other applicable provisions of the IBC in connection with fraudulent transactions (“**Section 66 Matters**”). Pursuant to the Resolution Plan, the Administrator has been substituted by PCHFL to pursue such applications.. Any claim from any counterparty of the Section 66 Matters arising in the future due to reversal of any such transactions avoided or set aside by NCLT would accrue to the sole benefit of PCHFL. All the costs and expenses incurred or to be incurred towards litigation pertaining to the Section 66 Matters shall be to the account of PCHFL. A list of the Avoidance Matters and Section 66 Matters in which PCHFL, is involved is as follows:

- (i) PCHFL v. Kapil Wadhawan and others, IA No. 328 of 2021 (OLPL) (IA 328 of 2021);
- (ii) PCHFL v. Kapil Wadhawan and others, IA No. 338 of 2021 (Shrem Investments Application) (IA 338 of 2021);
- (iii) PCHFL v. Kapil Wadhawan and others, IA No. 1912 of 2020 (DPLI Avoidance Application) (IA 1912 of 2020);
- (iv) PCHFL v. Kapil Wadhawan and others, IA No. 2524 of 2020 (El Dorado Application) (IA 2524 of 2020);
- (v) PCHFL v. Kapil Wadhawan and others, IA No. 1639 of 2020 in CP No. 4258 of 2019;
- (vi) PCHFL v. Kapil Wadhawan and others, IA No. 257 of 2021 in CP No. 4258 of 2019;
- (vii) PCHFL v. Kapil Wadhawan and others, IA No. 2523 of 2020;
- (viii) PCHFL v. Bank of Baroda and others, IA No. 721 of 2021 (IA 721 of 2021);
- (ix) PCHFL v. Kapil Wadhawan and others, IA/2526/2020, NCLT; and
- (x) PCHFL v. Nippon Life India Asset Management, I.A No. 713 of 2021

Additionally, there are some other ancillary applications also filed in relation to the aforementioned Avoidance Transactions and the Section 66 Matters. Such matters are currently pending. Further, there are also certain matters filed by third parties (including the erstwhile promoters of DHFL) before various forums appealing against certain provisions of the Resolution Plan, including but not limited to the Resolution Plan being sent back to the CoC for its reconsideration, distribution mechanism and the confidentiality of the Resolution Plan. PCHFL is a party to such matters.

2. Pursuant to the acquisition of DHFL, PCHFL from time to time has received notices from regulatory and investigative authorities seeking information in connection with the activities conducted by the erstwhile management of DHFL. PCHFL responds to such notices basis the availability of information with it. Further, PCHFL is also impleaded in certain matters by third parties in relation to recovery of loans, money laundering, consumer matters, non-disbursal of loans, in connection with activities conducted by the erstwhile management of DHFL before various forums. PCHFL has initiated some applications with the relevant authorities stating that it was neither a necessary nor a proper party in such legal proceedings, and accordingly requested for deletion of the name of our Company from these legal proceedings. PCHFL will continue to initiate such applications as and when such circumstances arise. Such matters are pending before various forums. For further details, please see “*Risk Factors – Our Company, Subsidiaries, Group Companies, Promoter and certain of our Directors are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.*”

### ***Litigation by our Subsidiaries***

#### ***a. Criminal matters involving PCHFL***

1. PCHFL filed an application under Section 156(3) (“**Application**”) of the Code of Criminal Procedure, 1973 (the “**CRPC.**”) bearing case no. CS/112037/2021 (“**Compliant**”) before the Chief Metropolitan Magistrate Court, Calcutta (“**Chief Metropolitan Magistrate**”) against Partha Banik, Ashok Kumar Lakhotia, Aditya Vikram Lakhotia and others for offences *inter alia* criminal misappropriation of property, cheating, breach of trust, forgery of security, forging of documents



which are punishable under Sections 406, 408, 409, 417, 420, 465, 467, 468, 471, 34 and 120B of the Indian Penal Code, 1860. The Chief Metropolitan Magistrate passed an order dated November 30, 2022 (“**Order**”) rejecting the prayer made by PCHFL through the Application for the registration of a first information report (“**FIR**”) and transferring the matter to the Metropolitan Magistrate 18<sup>th</sup> Court, Calcutta (“**Metropolitan Magistrate 18**”) for disposal of the matter under Section 200 of the CRPC. Pursuant to this, PCHFL filed a petition no. C.R.R 19 of 2022 (the “**Petition**”) before the High Court in relation to the Application, to quash and set aside the Order through which the Complaint was transferred to the Metropolitan Magistrate 18 for disposal and to register the FIR and because the Petition was converted into a private complaint. The matter is currently pending. For further details, please see “*Litigation against our Subsidiaries - Other criminal matters involving PCHFL*”.

2. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed a petition no. 1553/2006 before the Chief Judicial Magistrate, Lucknow against its employees, Ravi Shankar Yadav, officer of accounts and Satish Verma, office boy who misappropriated the cash collected by them which was deposited by the borrowers of PCHFL against their EMIs in relation to the application u/s 156(3) of the Code of Criminal Procedure, 1973. The file is untraceable traced in court and the matter is currently pending.
3. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed a criminal complaint Cri. M. A. No. 5695/2016 (“**Complaint**”) with the Judicial Magistrate First Class, Pune against Shital Mulji Naram and her husband, Jitendra Omprakash Goyal, the borrower and co-borrower respectively (“**Borrowers**”) and others under section 156(3) of the Code of Criminal Procedure, 1973. The Borrowers availed financial assistance of ₹ 0.48 crores from PCHFL for purchase of property in the building known as ‘Cerotec City Phase-I’ (“**Property**”) and PCHFL created a charge by way of mortgage on the Property. Thereafter, on examination it came to the knowledge of PCHFL that the Borrowers had provided fraudulent documents and obtained a loan facility from Indiabulls Housing Finance Limited upon the same Property which was already mortgaged with PCHFL. Thereafter, an order dated January 3, 2017 was passed by the Judicial Magistrate, First Class, Court No. 9, Pune where the police were directed to investigate the matter and register a first information report no. 11/17. Thereafter, an RCC No. 1468/2018 was filed on behalf of the State. The matter is currently pending.
4. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed a criminal complaint R.C.C. No. 1222/2013 with the Judicial Magistrate First Class, Nashik against Rajendra Dagadu Sonawane, who availed a loan from PCHFL. However, the loan was availed with the intention to defraud PCHFL by depositing false and fabricated documents. The matter is currently pending.
5. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) had filed an application dated March 22, 2014 at Kranti Chowk Police Station to register an offence under Section 420 of the Indian Penal Code, 1860 (“**Indian Penal Code**”). However, since the police authority did not take cognizance of the complaint, PCHFL filed a criminal complaint R.C.C. No. 611/2014 dated March 27, 2014 before the Chief Judicial Magistrate, Aurangabad (“**Chief Judicial Magistrate**”) against Minaz Abdul Rahim Kureshi (“**Borrower**”) and others, who availed a loan facility of ₹ 3.73 lakhs from PCHFL by executing registered mortgage to PCHFL in relation to offences under section 420, 422, 423, 468, 472, and 34 of the Indian Penal Code. Further, the Borrower committed default in payment of EMI and the loan was classified as a non-performing asset. Thereafter, PCHFL proceeded to recover the outstanding amount. However, the property mortgaged with PCHFL was also mortgaged with State Bank of India (“**SBI**”) pursuant to a loan facility availed by the borrower from SBI. The borrower had also committed default in payment of EMIs for the loan facility obtained from SBI and SBI had also issued a symbolic possession notice for the mortgaged property. The Chief Judicial Magistrate issued an order dated September 18, 2014 to issue processes against the Borrower for prima facie offences punishable under section 420, 422, 423, 468, 472, and 34 of the Indian Penal Code. Thereafter, an order dated January 29, 2018 was passed by the CJJD and Judicial Magistrate FC 21<sup>st</sup> Court, Aurangabad providing the next date for framing of charge against the Borrower. The matter is currently pending.
6. Abdul Hamid Azad Khan and Shabana Abdul Hamid Khan (the “**Accused**”) purchased a property situated in Pune, for an amount of ₹ 1.20 crores. The Accused made a payment of ₹ 16.67 lakhs and took a loan from Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) for the balance consideration amount. PCHFL sanctioned a housing loan of the amount of ₹ 1.09 crores vide sanction letter dated March 29, 2016 and the

property was mortgaged as security to PCHFL. PCHFL transferred an amount of ₹ 1.03 crores to the sellers of the property based on representations made by the Accused. Thereafter, the Accused committed default in repayment of installments in both the loan accounts. Further, the mortgaged property was demolished and the development rights were assigned in favour of J.J. Construction, a partnership firm (“**JJ Construction**”) who took possession of the property and began construction. JJ Construction also sold flats that were to be constructed upon the property with the consent of the Accused. Pursuant to this, PCHFL filed a criminal complaint no. 1120 of 2019 against the Accused under Section 420, 406, 422 and 426, and 34 of the Indian Penal Code, 1908 before the Judicial Magistrate First Class, Pune as the loan was availed from PCHFL with the intention to cheat and defraud PCHFL by suppressing material facts. The matter is currently pending.

7. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed a first information report number 149/2016 dated (“**FIR**”) against Rajesh Trimukhe, the partner of Dhanvantri Hospital at the Shivajinagar police station, Rajesh Trimukhe (“**Borrower**”) had availed a loan of ₹ 1.28 crores from PCHFL on behalf of Dhanvantri Hospital and mortgaged property as collateral security for the loan. Thereafter, the Borrower started to default in the payment of equated monthly instalments. In relation to the loan. PCHFL conducted an investigation, and it came to the knowledge of PCHFL was known that the documents represented by the Borrowers at the time of availing the loan were forged and fabricated. The matter is currently pending.
8. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”). PCHFL filed a criminal case no. 3275/2019 before the Judicial Magistrate First Class, Pune against Pravin Kakde and his wife, Gayatri Kakde (“**Borrowers**”) under section 406, 420, 467, 478, 471 with 120B of Indian Penal Code, 1860. PCHFL sanctioned a loan of the amount of ₹ 50.24 lakhs which was secured by an equitable mortgage created over property (“**Mortgaged Property**”). PCHFL alleged that the Borrowers purchased the Mortgaged Property from GST Developers, a partnership firm through its partners Tushar Taras and Amit Kankariya. PCHFL issued a cheque in the name of the builder of the Mortgaged Property on disbursement of loan. Thereafter, the Borrowers allegedly committed default on the payment of equated monthly installments and on examination it came to the knowledge of PCHFL that the amount disbursed was not paid to the builder, but the Borrowers had opened a fraud account in the bank and encashed the sanctioned amount of loan in the fake account in the name of the builder with fraudulent and malafide intentions against PCHFL. The matter is pending.
9. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed a criminal complaint in relation to an application under section 156(3) of the Code of Criminal Procedure, 1973 to lodge a first information report against Sanjeev Dixit and others (“**Borrowers**”) under section 420, 468, 471, 406, 403, 415, 417, 419, 120B and 34 of the Indian Penal Code, 1860 before the Court of Chief Metropolitan Magistrate, Patiala House, New Delhi. The Borrowers availed loans from PCHFL and created security by way of mortgage against property. Thereafter, it came to the knowledge of PCHFL that Sanjeev Dixit is not the rightful owner of the property mortgaged as security in relation to the loan sanctioned by PCHFL, The matter is currently pending.
10. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”). PCHFL filed a criminal CRI.MA NO-3060/2018 against Synapse Media Solution Private Limited and others (“**Borrowers**”) before the Court of Judicial Magistrate First Class, Pune under Section 406, 420, 467, 471 read with 120 B of the Indian Penal Code, 1860. PCHFL had sanctioned a loan of the amount of ₹ 1.41 crores to the Borrowers, payable by them in 180 installments. Thereafter, the Borrowers started defaulting on the payment of the equated monthly installments and it came to the knowledge of PCHFL that the property the was mortgaged as security in relation to the loan were sold amounting to malafide intention to cheat PCHFL for wrongful gain. The matter is pending, and the next date is awaited.
11. Nikhil Malhotra, the authorised representative of Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed an application under section 156(3) of the Code of Criminal Procedure, 1973 seeking directions to Station House Officer (“**SHO**”) of the police station, Connaught Place to register a first information report (“**FIR**”) in the complaint dated February 19, 2018. Naveen Sagar, the authorised representative of DHFL, had also filed a complaint dated September 29, 2017 to the SHO, Barakhamba against Vimal Sharma and others for the offences of fraud, forgery, cheating and other substantive offences committed against PCHFL. Vimal Sharma and Menka Sharma (“**Borrowers**”) availed two loans from DHFL.

Thereafter, the Borrowers committed default on the repayment of EMIs and were declared as non-performing assets on account of regular default in the payment of EMIs. Further, on investigation it came to the knowledge of PCHFL that the property that was mortgaged as security in relation to the loans was sold by the Borrowers while the primary lien and first charge of the property was with PCHFL with the intention to cheat and cause wrongful loss to PCHFL. Vimal Sharma and his wife were absconding after part repayment of loans. The matter is pending, and the next date is awaited.

12. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”), filed a complaint against Darwan Singh and Mamta Devi (the “**Borrowers**”). PCHFL sanctioned a loan of ₹ 38.93 lakhs to the Borrowers. The Borrowers mortgaged an immovable property (“**Mortgaged property**”) as security for repayment of the loan to PCHFL via a registered deed of mortgage dated February 5, 2021 and represented that Darwan Singh as the sole, registered and exclusive owner of the Mortgaged property. Thereafter, the borrowers made the payment of the first EMI and breached and violated the terms and conditions of the loan agreement executed between PCHFL and the Borrowers. The Borrowers defaulted on the payment of EMIs and other payable dues. Thereafter, it came to the knowledge of PCHFL that even though the sale deed for the property that was mortgaged as security was executed between Jyoti Saini (“**Owner**”) in favour of Darwan Singh. However, the cheques issued by Darwan Singh to the Owner towards consideration of the sale amount was dishonoured on presentation. Therefore, Jyoti Saini was the owner and in possession of the Mortgaged property and the Borrowers had eloped and were untraceable. Thereafter, PCHFL has filed a first information report at the police station and is pending for registration. The matter is currently pending.
13. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”), filed a complaint under Sections 406, 420, 465, 467, 468, 471 and 120-B of the Indian Penal Code, 1860 against Gambhir Thakur and Renuka Thakur (the “**Borrowers**”). PCHFL sanctioned a loan of ₹4.04 crores to the Borrowers for purchase of an immovable property. Ajay Sehgal was represented as the lawful owner of the property. PCHFL conducted a legal search report in respect of the property and it was discovered that the property was sold by M/s Ansal Properties & Industries Limited to Girdhari Lal Sehgal and Seema Sehgal via a registered sale deed (“**Sale deed**”) dated October 16, 1991 which was then transferred to Ajay Sehgal, son of Girdhari Lal Sehgal and Seema Sehgal via a registered transfer deed dated March 26, 2019 (“**Transfer deed**”). Thereafter, Gambhir Thakur created equitable mortgage by executing a memorandum of entry for deposit of title deeds in favour of PCHFL since pursuant to the loan agreement, Ajay Sehgal executed the registered sale deed dated June 26, 2019 in favour of Gambhir Thakur. Thereafter, the Borrowers defaulted on the payment of EMIs and violated the repayment schedule. PCHFL initiated legal proceedings and issued a demand notice dated July 13, 2021 against the Borrowers under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Thereafter, on conducting enquiry it came to the knowledge of PCHFL that no person in the name of Ajay Sehgal ever existed and the Sale deed and Transfer deed for the property that was mortgaged with PCHFL were forged and fabricated. Thereafter, PCHFL filed a complaint for registration of a first information report (“**FIR**”) against the Borrowers and Ajay Sehgal. The FIR number 0287 has been registered by Haryana Police Station, Gurugram on October 21, 2021. The matter is currently pending.
14. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”), had sanctioned a loan of ₹ 0.67 crores to Naresh Agarwal and Rekha Devi, the borrowers. Pursuant to this, mortgage for the property was executed. Thereafter, the borrowers defaulted on the payment of EMIs and forged and fabricated the sale deed in relation to the property that was mortgaged with PCHFL. Thereafter, PCHFL filed a police complaint in Jyoti Nagar police station & subsequently under section 156(3) of Code of Criminal Procedure, 1973 before the Criminal Court. However, due to jurisdictional issue, the criminal court returned the complaint to file a fresh complaint before the proper jurisdiction police station i.e. Mahesh Nagar police station.
15. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”), filed a criminal complaint Sections 406, 420, 465, 467, 468, 471 and 120-B of the Indian Penal Code, 1860 against Yogendra Kumar, relationship manager of PCHFL and Deepak Yadav, an employee of Astute Corporate Services Private Limited i.e. the panel credit verification agency (“**FI agency**”) of PCHFL through which PCHFL gets physical field verifications to check the existence of prospective customers who approach PCHFL to sanction credit facilities, and Santosh Yadav, mother of Deepak Yadav. PCHFL sanctioned a loan of the amount of ₹ 23.81 lakhs to Santosh Yadav, by mortgage of a property in Gurugram. PCHFL conducted an internal review and it had come to their knowledge that a total sum of ₹ 62.46 lakhs has been disbursed from

their branch office situated in Gurugram to fifteen customers who had applied for credit facilities under 'unsecured business loans'. Thereafter, it was disclosed that most of these customers had submitted the fake bank statements of Sarva Haryana Gramin Bank, Gurugram Branch and that the amount disbursed from PCHFL had been withdrawn by Santosh Yadav in most of the cases. It was revealed that Santosh Yadav along with Deepak Yadav as the co-applicant, had also availed a housing loan of ₹ 23.81 lakhs from PCHFL and Santosh Yadav was getting multiple IMPS credit from Sarva Haryana Gramin Bank, Gurugram Branch from multiple customers of PCHFL. Further, pursuant to the field verification of the customers was conducted by the FI agency, it was observed that the addresses and customers, that were referred as sourced through Yogendra Kumar in connivance with Deepak Yadav and others, were fabricated and Yogendra Kumar, Deepak Yadav and Santosh Yadav had committed the offence of forgery, fraud and misrepresentation. Thereafter, PCHFL filed a criminal complaint for the registration of a first information report at the in Udyogvihar police station. The matter is currently pending.

16. Dewan Housing Finance Corporation Limited (“**DHFL**”) now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”), filed a complaint against Ganga Devi and others for the offence of fraud, forgery, cheating, impersonation, criminal conspiracy. PCHFL had sanctioned a loan of ₹ 39.74 lakhs to Ganga Devi. Pursuant to this, mortgage for the property was executed. Thereafter, Ganga Devi defaulted on the payment of EMIs and forged and fabricated the documents in relation to the property that was mortgaged with PCHFL. Thereafter, PCHFL filed a criminal complaint.
17. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”), filed a complaint against Tannistha Choudhury and others for fabricating of documents for theft, cheating and fraud. PCHFL had sanctioned a loan of ₹ 7.30 lakhs to Tannistha Choudhury for purchase of a used car. Thereafter, she started to default on the payment of loan and paid only one EMI and forged and fabricated the bank statement and salary slips that was submitted to avail the loan facility. Thereafter, PCHFL has filed a complaint at the Station House Officer Sector - 9, Dwarka, New Delhi for registration of a first information report on January 17, 2023. The matter is currently pending.
18. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”), had sanctioned a loan of ₹ 500,000 to Javed Khan, borrower. Pursuant to this, a mortgage deed for the property was executed. Thereafter, Javed Khan defaulted on the payment of EMIs and forged and fabricated the documents in relation to the property that was mortgaged with PCHFL. Thereafter, PCHFL has filed a FIR before the Lucknow police station under Section 156(3) of the Code of Criminal Procedure, 1973.
19. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”), had sanctioned a loan of ₹ 700,000 to Sandeep Kumar, borrower, an employee of Bhaskar Industries Private Limited, situated at Mandideep Bhopal in Madhya Pradesh. Pursuant to this, mortgage for the property was executed. Thereafter, Sandeep Kumar defaulted on the payment of EMIs and forged and fabricated the documents in relation to the property that was mortgaged with PCHFL. Thereafter, PCHFL has lodged a complaint at M. P. Nagar police station. Written statement was recorded on May 18, 2023.
20. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”), had sanctioned a loan of ₹ 651,000 to Mithlesh Bai Patel, borrower, an employee of TAPE Motors and Tractors Limited, situated at Mandideep Bhopal in Madhya Pradesh. Pursuant to this, mortgage for the property was executed. Thereafter, the Mithlesh Bai Patel defaulted on the payment of EMIs and forged and fabricated the documents in relation to the property that was mortgaged with PCHFL. Thereafter, PCHFL has lodged a complaint at M. P. Nagar police station. Written statement was recorded on May 18, 2023.
21. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed a complaint against Sharmila Das and others (“**Borrowers**”). The employees of PCHFL sanctioned personal loans to the Borrowers on behalf of PCHFL. PCHFL conducted an enquiry and discovered that the loan was obtained by submission of forged and fabricated the documents like salary slips and bank statements. PCHFL filed complaint to inspector in charge, police station, Kolkata on April 24, 2023 to register a first information report as the under Sections 406, 420, 465, 467, 468, 471 and 120-B of the Indian Penal Code, 1860. Therein again complaint was filed with the police station, Lalbazar, Kolkata on July 3, 2023. The matter is currently pending.

22. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) sanctioned a ‘used car loan’ of an amount of ₹ 5.88 lakhs vide sanction letter dated February 09, 2022 repayable within a period of 60 months to Pooja Sonawane. Thereafter, Pooja Sonawane made a payment of five equal monthly instalments (“**EMIs**”) for the repayment of the sanctioned loan and started to default on the repayment of the further EMIs. PCHFL conducted an enquiry and discovered that Pooja Sonawane was not residing at the residential address which was provided at the time of availing the loan. Further, it was discovered that the loan was obtained by submission of forged and fabricated the documents like residential proofs, salary slips and bank statements. PCHFL filed complaint to inspector in charge, police station, Maharashtra on April 24, 2023 to register a first information report. The matter is currently pending.
23. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) sanctioned a ‘used car loan’ of an amount of ₹ 5.47 lakhs vide sanction letter dated January 28, 2022 repayable within a period of 60 months to Atul Nimbale. Thereafter, Atul Nimbale made a payment of twelve equal monthly installments (“**EMIs**”) for the repayment of the sanctioned loan and started to default on the repayment of the further EMIs. PCHFL conducted an enquiry and discovered that Atul Nimbale was not residing at the residential address which was provided at the time of availing the loan. Further, it was discovered that the loan was obtained by submission of forged and fabricated the documents like residential proofs, salary slips and bank statements. PCHFL filed complaint to inspector in charge, police station, Maharashtra on April 24, 2023 to register a first information report. The matter is currently pending.
24. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) sanctioned a housing loan facility of an amount of ₹ 34.51 lakhs vide sanction letter dated June 27, 2022 to Ashwin Gaikwad, amongst others (“**Borrowers**”) repayable within a period of 240 months for the purchase of property bearing flat no. 302, Shantai Apartment, Tingare Nagar, Pune (the “**Property**”). The borrowers had mortgaged the Property to PCHFL by way of equitable mortgage and the notice of intimation were in the custody of PCHFL. Thereafter, the Borrowers started to default on the repayment of the EMIs in a timely manner and the loan account was classified as a ‘non-performing asset’ on February 15, 2023. PCHFL conducted an enquiry and discovered that the Property was mortgaged with two other banks namely State Bank of India and Home First Finance Company and that the Borrowers had obtained the loan by submission of forged and fabricated the documents in relation to the Property, of forged and fabricated the documents like residential proofs, salary slips and bank statements. PCHFL filed complaint to inspector in charge, police station, Pune on April 18, 2023 to register a first information report. The matter is currently pending.
25. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) sanctioned a ‘used car loan’ of an amount of ₹ 6.08 lakhs vide sanction letter dated February 17, 2022 repayable within a period of 60 months to Shubham Deshmukh. Thereafter, Shubham Deshmukh made a payment of two equal monthly instalments (“**EMIs**”) for the repayment of the sanctioned loan and started to default on the repayment of the further EMIs. PCHFL conducted an enquiry and discovered that Shubham Deshmukh was not residing at the residential address which was provided at the time of availing the loan. Further, it was discovered that the loan was obtained by submission of forged and fabricated the documents like residential proofs, salary slips and bank statements. PCHFL filed complaint to inspector in charge, police station, Pune on April 17, 2023 to register a first information report. The matter is currently pending.
26. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed a complaint against Pitchaimani G (“**Accused**”). The Accused was employed with PCHFL at the Rajapayalam branch office. He was responsible for misappropriating the amount deposited by the borrowers into different accounts and collecting the cheques from the misappropriated accounts and presenting it against the accounts of the original borrowers who paid the amount in cash. Thereafter, the cheques were dishonoured. PCHFL conducted an enquiry and discovered that the Accused has misappropriated the amount and presented fake cheques. Thereafter, preliminary investigation was conducted, and the case was transferred to Rajapayalam branch of the police station. The matter is currently pending.
27. Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed an application dated January 23, 2023 (“**Application**”) for registration of a first information report against Prithvi Shelters and its promoter, Prakash Pandurang Chavan (collectively “**Borrowers**”) and others before the Joint Commissioner of Police, Economic Offences Wing, Mumbai (“**EOW**”) in relation to commission of offences under section 403, 406, 420, and 468 read with section 120B and 34 of the Indian Penal

Code, 1860 for fraud involving an amount of ₹ 44.5 crores and total amount due is ₹ 77.10 crores as on June 30, 2022 including interest and penal interest. PCHFL granted a loan of Rs. 60 crores to the Borrowers for the development of a residential project known as ‘Sai Velocity’ (“**Project**”) undertaken by Prithvi Shelters and provided property as security by way of mortgage and hypothecation. However, the amount disbursed was ₹ 56.60 crores. Thereafter, after a payment of ₹ 12 crores the Borrowers allegedly committed a default on their repayment obligations, and it came to the notice of PCHFL that the flats mortgaged with them were sold to buyers without their knowledge that the Borrowers did not have a clear title to the property as it was mortgaged with PCHFL. Further, the Borrowers had fraudulently concealed the sale of the flats and misappropriated the sale proceeds for their own benefit instead of repayment of the loan amount to PCHFL. The matter is currently pending.

b. Regulatory matters

Nil

c. Civil

1. Piramal Capital and Housing Finance Limited (“**PCHFL**”), the financial creditor filed a company petition dated March 21, 2022 for an application number IB-317/ND/2022 (“**Application**”) against Andes Town Planners Private Limited, (the “**Corporate Debtor**”) before the National Company Law Tribunal, New Delhi (“**NCLT**”) under section 7 of the Insolvency and Bankruptcy Code, 2016 and Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. PCHFL is seeking an order to initiate corporate insolvency process (“**CIRP**”) against the Corporate Debtor, to declare a moratorium and to appoint an insolvency resolution professional in relation to the default committed by the Corporate Debtor. Thereafter, an order dated March 2, 2023 was passed by the NCLT admitting the Application filed by PCHFL. Thereafter, PCHFL submitted a claim in form C dated March 23, 2023 to the interim resolution professional in respect of the CIRP process of the Corporate Debtor claiming an amount of ₹ 181.11 crores. The CIRP is currently ongoing.
2. Piramal Capital and Housing Finance Limited (“**PCHFL**”) issued a statutory demand notice dated May 31, 2023 (“**Notice**”) against Rani Devi and Krishna Devi under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with Security Interest Enforcement Rules, 2002 at the request of Andes Town Planners Private Limited and Rohtas Projects Limited (“**Borrowers**”). Dewan Housing Finance Corporation Limited now known as PCHFL had sanctioned a loan amount of ₹ 90 crores to the Borrowers and property was mortgaged as security along with Jawahar Lal Rastogi, Rani Devi and Krishna Devi in favour of PCHFL. Subsequently, the Borrowers committed default in payment of loan installments and the Notice was issued calling upon the payment of an amount of ₹ 183.03 crores within 60 days of the receipt of such Notice.
3. Piramal Capital and Housing Finance Limited (“**PCHFL**”), financial creditor filed a company petition numbers C.P. (IB) - 655/2022, C.P. (IB) - 656/2022, C.P. (IB) - 651/2022, and C.P. (IB) - 652/2022 against Paresh Rastogi, Piyush Rastogi, Pankaj Rastogi, and Deepak Rastogi (the “**Personal Guarantors**”), respectively before the National Company Law Tribunal, New Delhi (“**NCLT**”). Andes Town Planners Private Limited, (“**Corporate Debtor**”). Dewan Housing Finance Corporation Limited now known as PCHFL had sanctioned a loan amount of ₹ 90 crores at the request of Andes Town Planners Private Limited and Rohtas Projects Limited (“**Borrowers**”) which was secured by personal guarantees provided by the Personal Guarantors. Thereafter, the Corporate Debtor committed a default in payment of the installments of the loan and PCHFL sent a notice invoking guarantee to the Personal Guarantors. Thereafter, PCHFL filed an application dated July 18, 2022 before the NCLT to initiate the corporate insolvency process under rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 against the Personal Guarantors for the outstanding amount of ₹ 161.93 Crores as on May 9, 2022. The matter is currently pending.
4. Piramal Capital and Housing Finance Limited (“**PCHFL**”) filed a writ petition number 5612 of 2022 against the Uttar Pradesh Real Estate Regulatory Authority (“**UP Real Estate Regulatory Authority**”), Andes Town Planners Private Limited and others before the High Court at Allahabad, Lucknow under section 226 of the Constitution of India, 1956 seeking the quashing of the order number 6454/UP RERA/ Rehabilitation dated August 6, 2021 and order number 5468/ UP RERA/ Rehabilitation dated May 2, 2022 (“**Orders**”) passed by the UP Real Estate Regulatory Authority whereby, the real estate project namely ‘Rohtas Plumeria Homes’ promoted by M/s Andes Town

Planners Private Limited has been handed over to 'Plumeria Resident Welfare Association' for competition of the remaining development and construction work of the project. The Orders were passed without any notice and in prejudice of the rights of PCHFL that holds first and exclusive charge over the project as security to the loan sanctioned to Andes Town Planners Private Limited and Rohtas Projects Limited ("**Borrowers**") for the purpose of financing the residential and commercial project namely 'Rohtas Plumeria and Summit' with a project loan of ₹ 90 crores. Thereafter, the Borrowers have allegedly committed default in fulfilling their payment obligations in relation to the installments of the loan. Pursuant to this, PCHFL sent a recall notice to the Borrowers, the personal guarantors and the directors of Andes Town Planners Private Limited for the payment of the full amount of ₹ 108.19 crores. However, Andes Town Planners Private Limited allegedly failed to make any payments of the amounts due and payable to PCHFL and PCHFL filed an application under section 7 of the Insolvency and Bankruptcy Code, 2016 seeking commencement of corporate insolvency process. For further details, please refer to the matter disclosed under "**Criminal matters involving PCHFL, Civil, Sr. No. 1**". Therefore, PCHFL was aggrieved due to the Orders as the rights of PCHFL on the property provided as security were circumvented from exercising its rights of first charge over the property on default in repayment of the loan amount by the Borrowers. The matter is currently pending.

5. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited ("**PCHFL**") filed an application number 1131/2021 before the Court of District Magistrate and Collector District, Surat under section 14 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for taking physical control of the secured assets including properties at Gokulam Twin Bungalows (Phase-1), Gokulam Polaris, Gokulam Twin Bungalows (Phase II), Gokulam Twin Bungalows (Phase II), and the Polaris Textile Market. PCHFL had sanctioned a loan facility of ₹ 140 crores to M/s Gokulam Buildcon ("**Borrower**") against the property mortgaged to them as security. Thereafter, the Borrower committed default in repayment of dues and the loan was classified as a non-performing asset. The matter is currently pending.
6. Piramal Capital & Housing Finance Limited ("**PCHFL**") filed a mediation application form in form-1 dated February 28, 2023 before the Office of District Legal Services Authority, Surat ("**District Legal Services**") against M/s Gokulam Buildcon and Vijay Bhagat ("**Borrowers**") in relation to mediation application number 230 of 2023 filed by PCHFL against the Borrowers for recovery of a claim amount of ₹ 266.37 crores before the Principal Civil Judge (Senior Division), at Surat under the Code of Civil Procedure, 1908 and section 2(1)(c) of the Commercial Court Act, 2015. The Borrowers had availed two loan facilities from PCHFL for its projects namely 'Gokulam Twin Bungalows (Phase II)' ("**Project 1**") and 'the Polaris Textile Market' ("**Project 2**"). Vijay Bhagat provided personal guarantee as security and the Project 1 was mortgaged as security. The conciliation proceedings is currently ongoing.
7. On September 30, 2021, Piramal Capital & Housing Finance Limited ("**PCHFL**") acquired Dewan Housing Finance Corporation Limited ("**DHFL**") pursuant to the corporate insolvency resolution process initiated under the Insolvency and Bankruptcy Code, 2016 and pursuant to the resolution plan approved by the NCLT on June 7, 2021 ("**Resolution Plan**"). As part of the implementation of the Resolution Plan, on September 30, 2021, PCHFL, a wholly owned subsidiary of PEL, merged into DHFL and DHFL was renamed as PCHFL. In 2017, DHFL sold its equity stake in Pramerica Life Insurance Company Limited to its wholly owned subsidiary, DHFL Investments Limited ("**DIL**"). To finance this acquisition, DIL raised funds through issuance of compulsorily convertible debentures to Wadhawan Global Capital Limited ("**WGCL**") ("**DIL CCDs**"). WGCL in turn raised funds by issuing secured non-convertible debentures ("**NCDs**") to third parties ("**Original NCD Holders**"). The NCDs were secured by way of a pledge over the DIL CCDs. The Original NCD Holders sold the NCDs, among others, to West End Investment and Finance Consultancy Private Limited ("**West End**") and Advent Buildwel Private Limited (collectively referred as "**West End Entities**"). The West End Entities raised funds from inter-corporate deposits availed from DHFL ("**ICDs**"). Subsequently, West End Entities transferred the NCDs to TDH Realty along with the obligation to repay the ICDs to DHFL. The Administrator, appointed for the corporate insolvency resolution process of DHFL, classified the above transaction as fraudulent and filed relevant applications before the NCLT. As a part of the Resolution Plan, the DIL CCDs have been declared as null and void. TDH Realty and WGCL have challenged this aspect of the Resolution Plan by way of appeals before the National Company Law Appellate Tribunal. The matter is pending at National Company Law Appellate Tribunal, Delhi.

8. Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed an interlocutory application no. 1687 of 2022 (“**Interlocutory Application**”) in company petition no. 3367 of 2019 (“**Petition**”) against Mahesh Sureka, resolution professional of Golden Beach Infracon Private Limited (“**Resolution Professional**”) in the matter of ‘Parcos Engineer Private Limited (“**Operational Creditor**”) versus Golden Beach Infracon Private Limited (“**Corporate Debtor**”)’ before the National Company Law Tribunal, Mumbai (“**NCLT**”). Dewan Housing Finance Corporation Limited (“**DHFL**”) (now known as PCHFL) sanctioned a loan of ₹ 475 crores to Kanitha Real Estate Private Limited (“**Kanthia**”). Kanthia created a mortgage over a property as security for the loan. Thereafter, a further loan of ₹ 12 crores was sanctioned to Kanthia and DHFL issued a letter to the Corporate Debtor to create additional security by a corporate guarantee and registered mortgage over land owned by the Corporate Debtor. Thereafter, Kanthia committed default in respect of their payment obligations to DHFL and DHFL issued a recall notice to invoke the corporate guarantee and called upon the Corporate Debtor to pay the outstanding amount of ₹ 610.06 crores. Thereafter, NCLT issued an order dated July 29, 2021 and the pursuant to the Petition filed by the Operational Creditor corporate insolvency process was commenced against the Corporate Debtor and Mahesh Sureka was appointed as a Resolution Professional. Thereafter, the Resolution Professional filed an interlocutory application IA no. 6 of 2022 before the NCLT under section 66 and 43 of the Insolvency and Bankruptcy Code, 2016 (“**IBC**”) seeking the setting aside of the corporate guarantee and the mortgage deed pursuant to which security was provided to DHFL for the loan advanced by them. The Interlocutory Application no. 1687 was disposed by an order dated January 6, 2023 passed by the NCLT directing the Resolution Professional as the liquidator (“**Liquidator**”) of the Corporate Debtor and the Corporate Debtor issued a public notice mentioning the last date of submission of claim is March 19, 2023 and PCHFL submitted the applicants form D to the Liquidator. However, PCHFL received an email dated April 11, 2023 that there was a delay in filing the claim. Further, PCHFL filed an appeal no. 44 of 2023 (“**Appeal**”) against the Resolution Professional before the NCLT under section 42 of the IBC to seek reliefs in relation to condonation of delay in filing the claim filed by PCHFL in respect of debt of ₹ 908.88 crores. The Appeal was allowed vide order dated August 18, 2023. The matter is currently pending.
9. Piramal Capital & Housing Finance Limited (“**PCHFL**”) (“**Financial Creditor**”) submitted application for claims in form C dated March 15, 2023 (“**Applications**”) under regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 to the interim resolution professional in respect of corporate insolvency resolution process of (i) Fulgent Real Estate Private Limited; (ii) Ghardwar Real Estate Private Limited; (iii) Prithvi Residency Private Limited; (iv) Suvarat Real Estate Developers Private Limited; (v) Tenacity Real Estate Private Limited; (vi) Vyomakara Real Estate Private Limited; (vii) Wamika Real Estate Private Limited; (viii) Azinova Constructions Private Limited; (ix) Manpreet Developers Private Limited; (x) Immediate Real Estate Private Limited; (xi) Darshan Developers Private Limited (“**Corporate Debtors**”) in relation to a loans sanctioned to the Corporate Debtors by PCHFL. Thereafter, an order dated April 10, 2023 was passed by the National Company Law Tribunal, Mumbai in the matter of ‘Ultratech Cement Limited versus Darshan Developers Private Limited’. in relation to Applications filed by PCHFL (“**Financial Creditor**”) who is the sole member of the committee of creditors through which the corporate insolvency resolution process (“**CIRP**”) against the Corporate Debtors was consolidated and their assets and liabilities were merged into a common pool resulting in a common consolidated CIRP and accordingly the IA-1181/2023 in CP.(IB)/3106(MB)/2019 was disposed off. The matter in relation to the proceedings to be undertaken for the common consolidated CIRP is currently pending.
10. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) (“**Secured Creditor**”) filed a securitisation application number 297 of 2021 against M/s Orbit Ventures & Company (“**Principal Borrower**”) and others (“**Borrowers**”) before the Chief Metropolitan Magistrate Court, Mumbai under section 14 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“**SARFAESI Act**”) for physical possession of secured assets which are charged in favour of PCHFL to secure repayment of the amount availed by the Principal Borrower by way of mortgage in relation to the project loan granted by PCFL of an amount of ₹ 232 crores which was later enhanced to ₹ 355 crores, out of which amount disbursed was ₹ 354.09 crores due to non-payment of the loan instalments to PCHFL. DHFL had issued a notice dated September 17, 2020 under section 13(2) of the SARFAESI Act giving notice to the Borrowers that unless the outstanding dues are repaid within 60 days of the date of notice, PCHFL has taken steps to take physical possession of mortgaged property. However, the outstanding dues were still unpaid by the Borrowers as per the terms of the demand notice. The matter is currently pending.



11. Piramal Capital & Housing Finance Limited (“**PCHFL**”) (“**Financial Creditor**”) had filed a company petition number 589 of 2023 against Sigtia Constructions Private Limited (“**Corporate Debtor**”) before the National Company Law Tribunal, Mumbai under section 7 of the Insolvency and Bankruptcy Code, 2016 read with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. PCHFL had sanctioned a loan of ₹ 1,910 crores to the Corporate Debtor. Thereafter, the Corporate Debtor committed default in repayment of loan installments and PCHFL issue a legal notice dated September 17, 2020 to the Corporate Debtor calling upon the Corporate Debtor to repay the outstanding loan amount of ₹ 3,176 crores. However, the Corporate Debtor still failed to repay the outstanding amount. The matter is currently outstanding.
12. Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed an interim application number (L)11943 of 2023 in suit number 1227 of 2023 before the High Court of Bombay (“**High Court**”) against certain unknown respondents and certain social media platforms in relation to a systematic smear campaign to defame PCHFL in the eyes of the public by making false and baseless statements. The defamation has occurred on social media platforms such as Twitter, Instagram, Facebook and LinkedIn. The High Court issued an order dated March 1, 2023 granting certain reliefs to PCHFL. However, necessary details had to be provided to identify the defendants so as to implead them to the case. The matter is currently pending.
13. Piramal Capital & Housing Finance Limited (“**PCHFL**”) had filed a company petition number 556 of 2023 against Township Developers India Limited (“**Corporate Developers**”) before the National Company Law Tribunal, Mumbai (“**NCLT**”) under section 7 of the Insolvency and Bankruptcy Code, 2016 for default in loans of ₹ 5,855.11 crores sanctioned by PCHFL to the Corporate Debtor. PCHFL had secured a mortgage against the loans sanctioned to the Corporate Debtor and by guarantee issued by the Corporate Debtor. Thereafter, PCHFL issued a notice to the Corporate Debtor to deposit title deeds with PCHFL and to take the necessary actions for the registration of charge over the land with the Registrar of Companies. Further, PCHFL issued a legal notice dated February 13, 2021 in relation to default committed by the Corporate Debtor for the payment of outstanding amount of loan of ₹ 4,252.88 crores as on February 13, 2021 within 15 days of issuance of the said notice or else invoking the guarantee issued on behalf of the Corporate Debtor. The matter is currently pending.
14. Piramal Capital & Housing Finance Limited had filed a civil writ petition number 10286 of 2023 before the High Court of Bombay against Joint Director, Directorate of Enforcement, Bengaluru to quash the provisional attachment order no. 6 of 2022 dated August 11, 2022 (“**Order**”) as the projects being developed by Mantri Developers Private Limited were wrongly attached. The Order was quashed pursuant to an order passed by the High Court of Bombay dated April 20, 2023.
15. Dewan Housing Finance Corporation Limited filed 2 applications against Rajen Skyscrapers Private Limited, amongst others, before the Chief Metropolitan Magistrate’s Court, Mumbai under section 14 of the Securitization and Reconstruction of Financial Assets Act, 2002 for an exclusive charge by way of registering the mortgage on 18 residential units and an exclusive charge by way of a registered charge on land admeasuring 2508.40 square metres. The total amount involved in these cases is approximately ₹ 1,152.40 crores as on February 16, 2021.
16. Piramal Capital & Housing Finance Limited (“**PCHFL**”) had filed 2,796 cases under Section 138 of the Negotiable Instruments Act, 1881 for recovery of amounts on account of dishonoured cheques issued by our customers. The matters are currently ongoing at different stages. The aggregate amount involved in the cases is ₹ 1,796.98 crores.

*d. Tax proceedings*

1. Dewan Housing Finance Corporation Limited now known as Piramal Capital & Housing Finance Limited (“**PCHFL**”) filed an appeal before the commissioner of income tax – appeals, national faceless appeal centre against the order dated September 23, 2022 (“**Impugned Order**”) passed by the assessment unit, income tax department (the “**AO**”) under section 143(3) read with section 144B of the Income Tax Act, 1961 (“**Income Tax Act**”). PCHFL filed its return of income for the assessment year 2020-21 on February 9, 2021 declaring the total income as Nil. The total income computed under section 143(1) of the Income Tax Act is ₹ 25, 860. Subsequently, as per the Computer Aided Scrutiny Selection report the matter was selected for scrutiny and notices under section 143(2) and 142(1) were issued and served on PCHFL calling for various details and explanations. PCHFL submitted all the details electronically. Thereafter, the AO passed the

Impugned Order assessing the total income at ₹ 3.26 crores. Thereafter, a rectification order dated March 30, 2023 (“**Rectification Order**”) was passed by the deputy commissioner of income tax after giving the credit for DDT while computing the tax liability. Thereafter, PCHFL filed a rectification application dated April 5, 2023 before the deputy commissioner of income tax, under section 154 of the Income Tax Act in relation to the Rectification Order mentioning that the computation of total income was short of credit of tax deducted at source, not setting off the unabsorbed depreciation, and non-grant of interest under section 244A of the Income Tax Act. The matter is currently pending.

## **E. Litigation involving Group Companies**

### *a. Civil*

Karne Hospital Private Limited (“**Complainant**”) filed a case number 49/2021 against Dewan Housing Finance Limited (“**DHFL**”) now known as Piramal Capital & Housing Finance Limited and Pramerica Life Insurance Company Limited (“**Pramerica Life Insurance**”) before the National Consumer Disputes Redressal Commission, New Delhi, involving an amount of ₹ 338.15 crores in relation to three loans sanctioned to the Complainants by DHFL. Thereafter, it was alleged by the Complainants that that DHFL and Pramerica Life Insurance through unfair contract terms and conditions, coercion and duress forced the Complainant who had availed loans to purchase insurance policies from Pramerica Life Insurance Company and security interest was created on the properties at the time of availing the loans, security deposit cheques were deposited by the Complainant and post loan sanction and disbursement interest amounts were charged from the Complaint causing wrongful loss to them. Thereafter, two of the loan accounts were closed and the one pending loan account was declared as a non-performing asset pursuant to non-payment of installments and recovery proceedings were initiated by DHFL. Thereafter, an order dated October 11, 2022 was passed by the Debts Recovery Tribunal, Pune (“**DRT**”) directing the Complainants to make a one-time settlement payment to DHFL against the interim application no. 1732/2022 was filed by the Complainant for stay on the notice initiating the possession of the mortgaged property order. Thereafter, DHFL moved for the possession of the mortgaged property and a notice was issued fixing the date of possession as July 12, 2023. The Complainant filed an interim application no. 1538 of 2023 which was rejected by the DRT. The matter is currently pending.

### *b. Criminal*

Nil

### *c. Regulatory matters*

1. The Securities Exchange Board of India (“**SEBI**”) issued a show cause notice against Piramal Pharma Limited dated May 31, 2023 (“**SCN**”) under Rule 4 (1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, read with Section 151 of the Securities and Exchange Board of India Act, 1992 and Rule 4 (1) of the Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 read with Section 23-I of the Securities Contracts (Regulation) Act, 1956, alleging non-disclosure of certain material information to the stock exchanges as required in terms of SEBI Listing Regulations with respect to (a) imposition of a penalty of ₹ 8.32 crores by the National Green Tribunal on PEL vide order dated November 13, 2019 on account of environment pollution; (b) closure of a plant of PEL (subsequently transferred to the Company pursuant to a business transfer agreement dated June 26, 2020) situated at Digwal, Telangana; and (c) misrepresentation in the business responsibility report included in the annual reports of PEL for Financial Years 2019 and 2020 (“**Alleged Non-Disclosures**”). In connection with this matter, SEBI had sought certain clarifications via email dated February 17, 2023 and our Company in its response dated February 21, 2023 specified that it was not in existence at the time of the incidents and the Alleged Non Disclosures and that the penalty imposed by the National Green Tribunal on PEL (which was subsequently transferred to the Company pursuant to a business transfer agreement dated June 26, 2020) was disclosed in the information memorandum dated September 5, 2022 issued by the Company for listing of its equity shares. Our Company, pursuant to its letter dated June 13, 2023, requested SEBI for the inspection of certain documents and records available with SEBI. Further, our Company filed a detailed response pursuant to its letter dated July 14, 2023 requesting SEBI to withdraw the SCN as, inter alia, our Company was not incorporated at the time of the Alleged Non-Disclosures and that our Company is being denied a fair opportunity to defend itself. Additionally, our Company re-iterated its submissions in the personal hearing held with SEBI on July 14, 2023. This matter is currently pending.

### *d. Tax proceedings*

Nil

## Tax Proceedings

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Subsidiaries, Directors, and Promoter, likely to have a material adverse effect on the financial position, profitability and cash flows of our Company.

Nature of cases	No. of cases	Total amount involved (₹ in crores)^
<b>Litigation involving the Company</b>		
Direct Tax	54	644.66
Indirect Tax	86	64.88
<b>Litigation involving the Directors</b>		
Direct Tax	3	5.75
Indirect Tax	-	-
<b>Litigation involving the Subsidiaries</b>		
Direct Tax	31	821.3
Indirect Tax	6	28.45
<b>Litigation involving the Promoters</b>		
Direct Tax	1	-
Indirect Tax	-	-

^ To the extent quantifiable

**Details of inquiries, inspections or investigations initiated or conducted under the Securities laws, Companies Act, 1956 or the Companies Act, 2013 against our Company and its Subsidiaries in the last three years along with Section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and its Subsidiaries in the last three years.**

One of our Subsidiaries, Piramal Fund Management Private Limited (“PFMPL”), a registered portfolio manager with SEBI under the SEBI Portfolio Managers Regulations 2020 has received a letter from SEBI to initiate an inspection in the nature of an audit for the period beginning from April 1, 2017, to March 31, 2023 in terms of Regulation 40 read with Regulation 35 of the SEBI Portfolio Managers Regulations, 2020.

**Details of litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action, as on date of this Draft Shelf Prospectus.**

Nil

**Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.**

The Company has not committed any defaults/delays in the repayment/redemption of any debentures and interest thereon, repayment of any deposits and interest thereon and loan from any bank or financial institution and interest thereon.

For details of default/ delays in payment of statutory dues by the Company, please see “Disclosures on Existing Financial Indebtedness” on page 190 of this Draft Shelf Prospectus.

**Summary of reservations, qualifications or adverse remarks of auditors in the last three Fiscals immediately preceding the year of circulation of this Draft Shelf Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.**

Statement containing extracts from the respective auditor’s reports on the audited standalone financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and Limited review report on the standalone financial results for the quarter ended June 30, 2023

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position	Corrective steps taken and proposed to be taken
2020-21	Deloitte Haskins & Sells LLP	June 1, 2021	Emphasis of matter	As more fully described in note 2(b)(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.	The Company had created additional provisions for expected credit loss on its financial assets as at March 31, 2021, owing to the uncertainty surrounding the COVID 19 pandemic.	The Company continues to review the impacts relating to the uncertainty surrounding the COVID-19 pandemic and will take appropriate actions, wherever required.

Statement containing extracts from the respective auditor's reports on the audited consolidated financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and Limited review report on the consolidated financial results for the quarter ended June 30, 2023

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position	Corrective steps taken and proposed to be taken
2020-21	Deloitte Haskins & Sells LLP	June 1, 2021	Emphasis of matter	As more fully described in Note 2(b)(i) to the Consolidated Financial statements, to assess the recoverability of certain assets, the Group has considered internal and external information in respect of the current and estimated future global including Indian 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.	The Group had created additional provisions for expected credit loss on its financial assets as at March 31, 2021, owing to the uncertainty surrounding the COVID 19 pandemic	The Group continues to review the impacts relating to the uncertainty surrounding the COVID-19 pandemic and will take appropriate actions, wherever required.
2021-22	Deloitte Haskins & Sells LLP	May 26, 2022	Emphasis of matter	In case of one subsidiary, the Component auditors have drawn attention to matters stated in note 56(A)(ii) to the consolidated financial statements with respect to certain elements of business combination accounting as	Based on opinions obtained from legal and tax experts, the fair value of net assets taken over under reverse acquisition includes contingent tax liabilities of Rs 3,437 crores pertaining to income tax obligation of	The Group would review the outcome of the income tax proceedings. Further, based on the final outcome of the proceedings and based on future

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position	Corrective steps taken and proposed to be taken
				per Ind AS 103- Business Combination, for acquisition of Dewan Housing Finance Limited (DHFL) under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which PCHFL has merged into DHFL with effect from September 30, 2021.	DHFL for the financial years ended 31 March, 2020 and 2021, recognized pursuant to uncertain tax positions relating to DHFL as on the implementation date. Further, based on the expert opinions, net deferred tax assets potentially amounting to Rs.6,209 crores relating to the fair value adjustments considered above have presently not been recognized due to uncertainty associated with allowability of such adjustments.	profitability, the management would take the required action.
2022-23	Suresh Surana & Associates LLP and Bagaria & Co LLP	May 5, 2023	Emphasis of matter	<p>In case of one subsidiary, their auditors have drawn attention to matters as stated in Note 66(ii) of the consolidated financial statements for the year ended March 31, 2023 with regards to :-</p> <p>(a) approval of the resolution plan submitted by the erstwhile Piramal Capital &amp; Housing Finance Limited ('ePCHFL') in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which ePCHFL had merged into DHFL with effect from 30 September 2021 (hereinafter referred to as 'the business combination'). As is more fully described in the aforesaid note, the aforesaid business combination had been given effect in the consolidated financial statement for the year ended 31 March 2022 in line with the accounting principles prescribed for reverse acquisition business</p>	<p>As per merger scheme of DHFL, retail loans are grossed up by Rs. 7,734.98 Crores as on March 31, 2023 (March 31, 2022 - Rs. 11,370.49 Crores). ECL provisions are grossed up by Rs. 4,277 Crores (March 31, 2022 - Rs. 5,982 Crores) and balance grossup is being reflected under Fair Value Adjustment on Merger under Note 20 for Rs. 3,458 Crores as on March 31, 2023 (Rs. 5,388.49 Crores).</p> <p>Based on opinions obtained from legal and tax experts, the fair value of net assets taken over under reverse acquisition includes contingent tax liabilities of Rs 3,437 crores pertaining to income tax obligation of DHFL for the financial years ended 31 March, 2020 and 2021, recognized pursuant to uncertain tax positions relating to DHFL as on the implementation date. Further, based on the expert opinions, net deferred tax assets potentially amounting to Rs.6,209 crores relating to the fair value adjustments</p>	The Group would review the outcome of the income tax proceedings. Further, based on the final outcome of the proceedings and based on future profitability, the management would take the required action.

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position	Corrective steps taken and proposed to be taken
				<p>combinations under Ind AS 103, Business Combinations, and other applicable Indian Accounting Standards, except to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021.</p> <p>(b) opinion of legal and tax experts, the subsidiary company had not recognized certain deferred tax assets and had recognized a provision against contingent tax liabilities pertaining to income tax obligation of DHFL for the year ended 31 March 2020 and 31 March 2021, while determining the fair value of assets and liabilities acquired by way of the business combination. As explained in Note 66 (ii) to the accompanying consolidated financial statement during the year ended 31 March 2023, the subsidiary company received assessment order from Income Tax Department completing the assessment proceedings u/s 143(3) of the Income Tax Act, 1961 for the financial year ended 31 March 2021 wherein subsidiary company's submissions relating to uncertain tax position of DHFL were accepted by the assessing officer. Further, in view of the management of the subsidiary company, the tax assessment for the financial year ended 31 March 2020 is time barred. Accordingly, as disclosed in the said Note 58, the subsidiary company has reversed the contingent tax provision of Rs. 3,327.54 crores in the current year and</p>	<p>considered above were not been recognized uptill 31 March 2022, due to uncertainty associated with allowability of such adjustments. Based on the tax position taken by the Company, the potential unrecognised deferred tax assets as at March 31, 2023 stands at Rs. 4,120 Crores.</p> <p>During the year ending 31 March 2023, one of the subsidiary company has reversed the contingent tax provision of Rs. 3,327.54 crores in the current year and disclosed the same as "Reversal of Tax Provision – Earlier Years" in the consolidated financial statements leading to reduction in profit after tax by the above amount in consolidated financial statements.</p>	

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position	Corrective steps taken and proposed to be taken
				disclosed the same as "Reversal of Tax Provision – Earlier Years" in the consolidated financial statements.		
Q1 FY 23-24	Suresh Surana & Associates LLP and Bagaria & Co LLP	July 28, 2023	Emphasis of matter	In case of Piramal Capital & Housing Finance Limited ("PCHFL"), wholly owned subsidiary, the Component auditors have drawn attention with respect to approval of the resolution plan submitted by the erstwhile Piramal Capital & Housing Finance Limited ('ePCHFL') in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which ePCHFL had merged into DHFL with effect from 30 September 2021 (hereinafter referred to as 'the business combination'). The subsidiary, based on the opinion of experts, had not recognized certain deferred tax assets while determining the fair value of assets and liabilities acquired by way of the business combination. (Refer Note 7)	During the financial year 2021-22, pursuant to the Resolution plan, as approved by the Mumbai bench of the Hon'ble National Company Law Tribunal, Piramal Capital & Housing Finance Limited ("PCHFL"), wholly owned subsidiary, merged into DHFL (Dewan Housing Finance Corporation Limited) to conclude acquisition on 30 September 2021 (Implementation Date). This business combination was treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103. Based on the expert opinion, net deferred tax assets potentially amounting to Rs. 6,209 crores relating to the fair value adjustments on acquisition have not been recognized due to uncertainty associated with allowability of such adjustments. Based on the tax position taken by the Company, the potential unrecognised deferred tax assets as at 30 June 2023 stands at Rs. 4,120 crores.	The Group would review the outcome of the income tax proceedings. Further, based on the final outcome of the proceedings and based on future profitability, the management would take the required action.
Q1 FY 23-24	Suresh Surana & Associates LLP and Bagaria & Co LLP	July 28, 2023	Emphasis of matter	In case of Piramal Capital & Housing Finance Limited ('PCHFL'), the Component auditors have drawn attention with respect to the requirement of compliance by the subsidiary with the Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions'). It had submitted a detailed business plan to the RBI in April and June 2022 detailing the roadmap to	PCHFL is required to comply with Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions'). It had submitted a detailed business plan to the RBI in April and June 2022 detailing the roadmap to	The management is putting in efforts to meet the PBC thresholds.

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position	Corrective steps taken and proposed to be taken
				2021 along with current status of such compliance. (Refer Note 8)	comply with the principal business criteria by 31 March 2024. Based on its submission, the RBI advised PCHFL to ensure compliance with the submitted business plan, as the same shall be monitored at regular intervals by the RBI and NHB. It is trailing in meeting committed PBC thresholds as at 30 June 2023. However, the management believes that PCHFL will be able to meet the required PBC thresholds latest by 31 March 2024. In order to achieve the above, PCHFL has changed its business strategy to shift focus majorly on housing finance loans and has decided to further reduce the Assets Under Management (AUM) in wholesale lending business.	

Statement containing extracts from the respective auditor's reports on the audited standalone financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position	Corrective steps taken and proposed to be taken
NIL						

Statement containing extracts from the respective auditor's reports on the audited consolidated financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021

Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position	Corrective steps taken and proposed to be taken
2021-22	Deloitte Haskins & Sells LLP	May 26, 2022	Adverse Comments in CARO	With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order")	The Subsidiary has paid the statutory dues with the applicable interest & penalty on the delayed payments	The Subsidiary will ensure to deposit the statutory dues on the respective due dates.



Financial Year / Period Ended	Auditor's Name	Report Date	Information	Extract of comments as reported in auditors' report, as reported in and extracted from the Audited Standalone Financial Statements of the Company	Impact on financial position	Corrective steps taken and proposed to be taken								
				<p>issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent/Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:</p> <table border="1"> <thead> <tr> <th>Name of the company</th> <th>CIN</th> <th>Nature of relationship</th> <th>Clause Number of CARO report with qualification or adverse remark</th> </tr> </thead> <tbody> <tr> <td>Piramal Fund Management Private Limited</td> <td>U67190MH2005 PTC154781</td> <td>Subsidiary</td> <td>Clause (v)(i)(a)</td> </tr> </tbody> </table>	Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark	Piramal Fund Management Private Limited	U67190MH2005 PTC154781	Subsidiary	Clause (v)(i)(a)		
Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark											
Piramal Fund Management Private Limited	U67190MH2005 PTC154781	Subsidiary	Clause (v)(i)(a)											

**Details of acts of material frauds committed against the Company in the in the preceding three financial years and current financial year, if any, and if so, the action taken by the Company in response:**

Not Applicable

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Issuer's Absolute Responsibility

*“The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Shelf Prospectus contains all information with regard to the Issuer and the issue which is material in the context of the issue, that the information contained in this Draft Shelf Prospectus is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.”*

### Authority for this Issue

At the meeting of our Board of Directors held on May 5, 2023, they approved the issuance of NCDs in one or more tranches. Pursuant to the shareholders resolution passed at the Annual General Meeting held on August 1, 2016, our Board of Directors have been authorised to borrow any sum or sums of monies, which together with the monies already borrowed (apart from temporary loans obtained or to be obtained in the ordinary course of business), in excess of our Company's aggregate paid-up capital, free reserves and securities premium reserve of our Company, up to a limit of an outstanding aggregate value of ₹ 44,000 crores over and above the aggregate of the paid-up share capital of our Company and its free reserves as prevailing from time to time, exclusive of interest and other charges.

Further, pursuant to the scheme of arrangement by which PHL Fininvest Private Limited was amalgamated with our Company, and the borrowing limit of our Company in terms of Section 180(1)I of the Companies Act, 2013 was deemed increased without any further act, thereby increasing the borrowing limit to ₹ 46,100.75 crores.

This Draft Shelf Prospectus has been approved by the Administrative Committee at its meeting held on August 28, 2023. The NCDs pursuant to this Issue will be issued on terms and conditions as set out in the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any Tranche Issue, the issue of which is being made as decided by the Board of Directors.

### Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoter and/or our Promoter Group and/or our Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. None of our Directors and/or our Promoter, is a director or promoter of another company which has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Draft Shelf Prospectus.

No regulatory action is pending against our Company or its Promoter or Directors before the Board or the Reserve Bank of India.

### Categorisation as wilful defaulter

Our Company or persons in control of our Company or any of our Directors or our Promoter have not been categorised as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, ECGC or any other governmental / regulatory authority.

None of our Whole-time Directors and/or our Promoter, is a whole-time director or promoter of another company which has been categorised as a wilful defaulter.

### Declarations Fugitive Economic Offender

None of our Directors and/or Promoter have been declared as Fugitive Economic Offender.

### Other confirmations

None of our Company or our Directors or our Promoter, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Shelf Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Further, it is confirmed that our Company is eligible to file this Draft Shelf Prospectus in accordance with Regulation 41 of SEBI NCS Regulations, as under:

- (i) Our Company is in compliance with applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any other guidelines so specified by SEBI.
- (ii) Our Company has a net worth of at least rupees five hundred crore, as per the audited standalone financial statements of the preceding financial year i.e., Fiscal 2023;
- (iii) The securities to be issued have been assigned a rating of **not less than “AA -”** category or equivalent by a credit rating agency registered with SEBI;
- (iv) Our Company has a consistent track record of operating profit for the last three financial years as per the audited standalone financial statements;
- (v) No regulatory action is pending against the issuer or its promoter or directors before the Board or the Reserve Bank of India.
- (vi) Our Company, as on the date of this Draft Shelf Prospectus, has not defaulted in any of the following, for the last three financial years and the current financial year:
  - (a) the repayment of deposits of interest payable thereon; or
  - (b) redemption of preference shares; or
  - (c) redemption of debt securities and interest payable thereon; or
  - (d) payment of dividend to any shareholder; or
  - (e) repayment of any term loan or interest payable thereon;

#### **Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGERS, A. K. CAPITAL SERVICES LIMITED, NUVAMA WEALTH MANAGEMENT LIMITED (FORMERLY KNOWN AS EDELWEISS SECURITIES LIMITED), JM FINANCIAL LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS CONFIRM THAT COMMENTS RECEIVED ON THE DRAFT SHELF PROSPECTUS WILL BE SUITABLY ADDRESSED BEFORE FILING THE SHELF PROSPECTUS AND THE RELEVANT TRANCHE PROPSECTUS, AND TO THIS EFFECT, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●], WHICH READS AS FOLLOWS:**

[●]

#### **Disclaimer Clause of BSE**

**BSE LIMITED (“THE EXCHANGE”) HAS GIVEN, VIDE ITS LETTER NO [●] DATED [●] PERMISSION TO THIS COMPANY TO USE THE EXCHANGE’S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY’S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:**

- a. **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
- b. **WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
- c. **TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

**AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.**

**Disclaimer Clause of NSE**

**AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF.: [●] DATED [●] PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.**

**EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.**

**Disclaimer Clause of RBI**

**A COPY OF THIS DRAFT SHLF PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THIS DRAFT SHELF PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDS.**

**Disclaimer statement from the Issuer**

**THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS DRAFT SHELF PROSPECTUS OR IN ANY ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF OUR COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.**

## **Undertaking by the Issuer**

**INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THE ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE “RISK FACTORS” SECTION ON PAGE 20.**

**OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS DRAFT SHELF PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS DRAFT SHELF PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS DRAFT SHELF PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.**

**THE COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS DRAFT SHELF PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE WEBSITE WHERE THE NCDs ARE PROPOSED TO BE LISTED.**

**OUR COMPANY DECLARES THAT NOTHING IN THIS DRAFT SHELF PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.**

### **Disclaimer statement from the Lead Managers**

**THE LEAD MANAGERS ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS DRAFT SHELF PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.**

### **Disclaimer in Respect of Jurisdiction**

**THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THE RELEVANT TRANCHE PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDs OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THE RELEVANT TRANCHE PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.**

### **Disclaimer clause of ICRA Limited**

*“All information contained in the Press Release has been obtained by ICRA from sources believed by ICRA to be accurate and reliable. Although reasonable care has been taken to ensure that the information therein is true, such information is provided ‘as is’ without any warranty of any kind, and in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained therein must be construed solely as statements of opinion and not any recommendation for investment. ICRA shall not be liable for any losses incurred by users from any use of the Press Release or its contents. Also, ICRA may provide other permissible services to the Company at arms-length basis.”*

### **Disclaimer clause of CARE Ratings Limited**

*“The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information.”*

CARE Ratings Limited in its consent letter dated August 28, 2023 has stated the following:

*“We or our affiliates have no fiduciary relationship with the Company, and do not fall under Section 2(38) of the Companies Act, 2013. In issuing and maintaining its ratings, CARE relies on factual information it receives from issuers and underwriters and from other sources CARE believes to be credible. Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. CARE is not your advisor, nor is CARE providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find CARE ratings to be important information, and CARE notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.”*

#### **Disclaimer clause of CRISIL Limited**

*“CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Piramal Enterprises Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”*

#### **Appointment of Debenture Trustee**

The Company has appointed the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

The remuneration of the Debenture Trustee shall be as per the offer letter No. 54580/ITSL/OPR//23-24 dated 19 June 2023, as may be amended/modified from time to time.

#### **Debenture Trustee Agreement**

Our Company has entered into a Debenture Trustee Agreement with the Debenture Trustee which provides for, *inter alia*, the following terms and conditions:

The Debenture Trustee, either through itself or its agents / advisors / consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Documents (including each Tranche Prospectus) and applicable laws, has been obtained for each Tranche Issue. For the purpose of carrying out the due diligence as required in terms of applicable laws, the Debenture Trustee, either through itself or its agents/ advisors/ consultants, shall have the power to examine the books of account of the Company and to have the Company’s assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/ management consultants appointed by the Debenture Trustee;

1. Our Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by our Company or any other person, are registered / disclosed;
2. The Debenture Trustee shall have the power to either independently appoint, or direct our Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports / certificates / documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by our Company;

3. Our Company has undertaken to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the applicable laws and the Debenture Trust Deed on a regular basis; and
4. The Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

#### **Terms of carrying out due diligence**

As per the SEBI Master Circular for Debenture Trustees, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times.

Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our Company has consented to.

- (a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Documents and the Applicable Laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Applicable Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical-experts/management consultants appointed by the Debenture Trustee.
- (b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the registrar of companies, sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by the Company or any other person, are registered / disclosed.
- (c) Further, in the event that existing charge holders or the concerned trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.
- (d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the NCDs, in accordance with the Applicable Laws.
- (e) The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint, intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

#### **Process of Due Diligence to be carried out by the Debenture Trustee**

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations and circulars issued by SEBI from time to time.

#### **Other confirmations**

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with applicable law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Master Circular for Debenture Trustees .

**IDBI TRUSTEESHIP SERVICES LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED AUGUST 28, 2023, AS PER THE FORMAT SPECIFIED IN ANNEXURE IIA OF SEBI MASTER CIRCULAR FOR DEBENTURE TRUSTEES WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, WE CONFIRM THAT:**
  - A. THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND / OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED AND LISTED.**
  - B. THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**
  - C. THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**
  - D. ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS / PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**
  - E. ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), AND OFFER DOCUMENT**
  - F. ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION**
  - G. ALL DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE. WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.**

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchanges as per format specified in Annexure IIA of the SEBI Master Circular for Debenture Trustees .

#### **Debenture Trust Deed**

Our Company and the Debenture Trustee will execute a Debenture Trust Deed specifying, inter alia, the powers, authorities and obligations of the Debenture Trustee and the Company, as per SEBI NCS Regulations applicable for the proposed NCD Issue.

#### **Track record of past public issues handled by the Lead Managers**

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, is available at the following websites:

<b>Name of Lead Manager</b>	<b>Website</b>
A. K. Capital Services Limited	<a href="http://www.akgroup.co.in">www.akgroup.co.in</a>
Nuvama Wealth Management Limited ( <i>formerly known as Edelweiss Securities Limited</i> )	<a href="http://www.nuvama.com">www.nuvama.com</a>
JM Financial Limited	<a href="http://www.jmfl.com">www.jmfl.com</a>
Trust Investment Advisors Private Limited	<a href="http://www.trustgroup.in">www.trustgroup.in</a>



## **Listing**

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE and NSE. An Application will be made to the BSE and NSE for permission to deal in and for official quotation in NCDs. BSE has been appointed as the Designated Stock Exchange.

If permission to deal in and for an official quotation of our NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of the Shelf Prospectus and relevant Tranche Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing are completed with five Working Days and commencement of trading at the Stock Exchanges mentioned above is taken within six Working Days from the date of closure of relevant Tranche.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription, NCDs shall not be listed and in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within five Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

## **Consents**

Consents in writing of: (i) our Directors, (ii) Company Secretary and Compliance Officer, (iii) Chief Financial Officer, (iv) Key Managerial Personnel, (v) Lead Managers, (vi) the Registrar to the Issue, (vii) the Debenture Trustee to the Issue, (viii) Legal Advisor to the Issue, (ix) Credit Rating Agency, (x) Banker to our Company, (xi) Consortium Members\*; (xii) Public Issue Account Bank, Refund Bank and Sponsor Bank\*; and (xiii) CRISIL Limited; to act in their respective capacities, have been obtained and will be filed along with a copy of the Shelf Prospectus and relevant Tranche Prospectus with the RoC as required under Section 26 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of this Draft Shelf Prospectus with the Stock Exchanges.

\* *The consents will be procured at the relevant Tranche Issue stage.*

## **Expert Opinion**

Except for the reports on Unaudited Financial Results, Audited Financial Statements FY 2023, Audited Financial Statements FY 2022, Financial Statements FY 2021, our Company has not obtained any other expert opinion with respect to this Draft Shelf Prospectus.

Our Company has received the written consent dated August 28, 2023 from the Joint Statutory Auditors of our Company, namely M/s. Suresh Surana & Associates LLP and Bagaria & Co. LLP, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft Shelf Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of audit reports on the Audited Financial Statements FY 2023, limited review report dated July 28, 2023, in relation to the Unaudited Financial Results and statement of possible tax benefits available to the debenture holders in the form and context in which they appear in this Draft Shelf Prospectus, and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.

Further, our Company has also received a written consent dated August 28, 2023 from Deloitte Haskins & Sells LLP, to include their name as the previous statutory auditors and an “expert” as defined under section 2(38) of the Companies Act, 2013, in respect of the Audited Financial Statements FY 2021 and the Audited Financial Statements FY 2022 and their auditors’ report thereon, in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.

The above experts are not, and has not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Draft Shelf Prospectus with the Stock Exchanges.

## **Common form of Transfer**

Our Company undertakes that there shall be a common form of transfer for the NCDs, if applicable and the provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

## **Minimum Subscriptions**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size as specified in the relevant Tranche Prospectus. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within six Working Days from the Issue Closing Date or such time as may be specified by SEBI provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within eight Working Days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

## **Filing of this Draft Shelf Prospectus**

The Draft Shelf Prospectus has been filed with the Stock Exchanges in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s) prior to the opening of the Issue. The Draft Shelf Prospectus has also been displayed on the website of the Company and the Lead Managers.

## **Filing of the Shelf Prospectus and the relevant Tranche Prospectus with the RoC**

A copy of the Shelf Prospectus and the relevant Tranche Prospectus shall be filed with the RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

## **Debenture Redemption Reserve (“DRR”)**

In accordance with the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules 2014, any non-banking financial company that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with this Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; and
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882.

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

### **Recovery Expense Fund**

Our Company has created a recovery expense fund in the manner as specified in the SEBI Master Circular for Debenture Trustees and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s) of NCDs issued

### **Issue related expenses**

The expenses for this Issue include, inter alia, lead management fees and selling commission to the Lead Managers, Consortium Members and intermediaries as provided for in the SEBI Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fees payable to sponsor bank, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company. For details of Issue related expenses, see "*Objects of the Issue*" on page 86.

### **Underwriting**

This Issue will not be underwritten.

### **Revaluation of Assets**

Our Company has not revalued its assets in the last three Fiscals.

### **Reservation**

No portion of this Issue has been reserved.

### **Utilization details regarding previous issues**

Our Company, Subsidiaries and Group Companies, as applicable, have issued non-convertible debentures by way of various private placements, for which, our Company and Subsidiaries have utilised the proceeds from such issuances in accordance with the use of proceeds set out in the respective offer documents and/or information memorandums under which such non-convertible debentures were issued.

### **Public / Rights Issues of Equity Shares in the last three years prior to this Draft Shelf Prospectus**

#### ***Public Issue undertaken by our Company***

Our Company has not undertaken any public issue of equity shares in last three years.

#### ***Rights Issue by our Company***

Other than as disclosed in the "*Capital Structure*" section of the Draft Shelf Prospectus, our Company has not undertaken rights issue of equity shares in the last three years.

#### ***Previous Public Issues of Non - Convertible Debenture by our Company***

Our Company has not made any previous public issues of non - convertible debentures in the last three years.

#### ***Private placements by our Company***

Please see below the details of any private placements undertaken by our Company in the three years prior to the date of this Draft Shelf Prospectus:

ISIN	Date of Opening	Date of Closing	Total issue size (in ₹ crores)*	Total value of NCDs allotted (in ₹ crores)	Date of allotment	Objects of the issue	Utilisation of proceeds
INE140A 07625	August 28, 2020	August 28, 2020	75.00	50.00	August 31, 2020	For short term working capital requirement, as well as for regular business activities.	The company utilized the proceeds of the issue solely for meeting the objects of the issue.
INE140A 07633	June 28, 2021	June 28, 2021	900.00	365.00	June 28, 2021	The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue): * for general corporate purposes of the issuer; and * for repaying existing debt; The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines. Pending full utilization of issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.	The proceeds were utilised for meeting the objects of the issue.
INE140A 07633	July 5, 2021	July 5, 2021	585.00	125.00	July 5, 2021	The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue): * for general corporate purposes of the issuer; and * for repaying existing debt; The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines. Pending full utilization of issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.	The proceeds were utilised for meeting the objects of the issue.
INE140A 07641	July 12, 2021	July 12, 2021	200.00	102.00	July 12, 2021	The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue): * for general corporate purposes of the issuer; and * for repaying existing debt; The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines. Pending full utilization of issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.	The proceeds were utilised for meeting the objects of the issue.
INE140A 07658	September 27, 2021	September 27, 2021	400.00	400.00	September 27, 2021	The funds raised through this issue, after meeting the expenditures of and related to the issue will be utilized for one or more of the following purposes: * for general corporate purpose of the Issuer * for repaying / prepaying of existing borrowings including interest The issue proceeds of the debentures will not be used for any purpose, which may be in contravention of the Government / RBI / SEBI / other regulatory guidelines. The main objects clause of the Memorandum of Association of the company permits the company to undertake the activities for which the funds are being raised through the present issue and the activities, which the Company has been carrying on till date. Pending full utilization of issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.	The proceeds were utilised for meeting the objects of the issue.
INE140A 07666	March 2, 2022	March 2, 2022	500.00	125.00	March 2, 2022	The funds raised through this issue, after meeting the expenditures of and related to the issue will be utilized for one or more of the following purposes: * for general corporate purpose of the Issuer * for repaying / prepaying of existing borrowings including interest	The proceeds were utilised for meeting the objects of the issue.

ISIN	Date of Opening	Date of Closing	Total issue size (in ₹ crores)*	Total value of NCDs allotted (in ₹ crores)	Date of allotment	Objects of the issue	Utilisation of proceeds
						<p>The issue proceeds of the debentures will not be used for any purpose, which may be in contravention of the Government / RBI / SEBI / other regulatory guidelines.</p> <p>The main objects clause of the Memorandum of Association of the company permits the company to undertake the activities for which the funds are being raised through the present issue and the activities, which the Company has been carrying on till date.</p> <p>Pending full utilization of issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.</p>	
INE140A 07666	March 28, 2022	March 28, 2022	375.00	175.00	March 28, 2022	<p>The funds raised through this issue, after meeting the expenditures of and related to the issue will be utilized for one or more of the following purposes:</p> <ul style="list-style-type: none"> <li>* for general corporate purpose of the Issuer</li> <li>* for repaying / prepaying of existing borrowings including interest</li> </ul> <p>The issue proceeds of the debentures will not be used for any purpose, which may be in contravention of the Government / RBI / SEBI / other regulatory guidelines.</p> <p>The main objects clause of the Memorandum of Association of the company permits the company to undertake the activities for which the funds are being raised through the present issue and the activities, which the Company has been carrying on till date.</p> <p>Pending full utilization of issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.</p>	The proceeds were utilised for meeting the objects of the issue.
INE140A 07674	May 4, 2022	May 4, 2022	700.00	100.00	May 4, 2022	<p>The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue):</p> <ul style="list-style-type: none"> <li>* Not more than 20% for general corporate purposes of the issuer; and</li> <li>* At least 80% for repaying/ prepayment/ refinance of existing debt;</li> </ul> <p>The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines.</p> <p>Pending full utilization of issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.</p>	The proceeds were utilised for meeting the objects of the issue.
INE140A 07682	May 24, 2022	May 24, 2022	600.00	100.00	May 24, 2022	<p>The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue): Not more than 20% for general corporate purposes of the issuer; and, at least 80% for repayment/prepayment/refinance of existing debt;</p> <p>The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines. Pending full utilization of issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.</p>	The proceeds would be utilised for meeting the objects of the issue.
INE140A 07682	July 15, 2022	July 15, 2022	500.00	70.00	July 15, 2022	<p>The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue): Not more than 20% for general corporate purposes of the issuer; and, at least 80% for repayment/prepayment/refinance of existing debt;</p> <p>The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines. Pending full utilization of issue</p>	The proceeds were utilised for meeting the objects of the issue.

ISIN	Date of Opening	Date of Closing	Total issue size (in ₹ crores)*	Total value of NCDs allotted (in ₹ crores)	Date of allotment	Objects of the issue	Utilisation of proceeds
						proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.	
INE140A07682	August 2, 2022	August 2, 2022	175.00	75.00	August 2, 2022	The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue): <ul style="list-style-type: none"> <li>• Not more than 20% for general corporate purposes of the issuer; and</li> <li>• At least 80% for repayment/prepayment/refinance of existing debt; The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines. Pending full utilization of Issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.</li> </ul>	The proceeds were utilised for meeting the objects of the issue.
INE140A07690	September 20, 2022	September 20, 2022	750.00	215.00	September 20, 2022	The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue): <ul style="list-style-type: none"> <li>• Not more than 20% for general corporate purposes of the issuer; and</li> <li>• At least 80% for repayment/prepayment/refinance of existing debt; The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines. Pending full utilization of Issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.</li> </ul>	The proceeds were utilised for meeting the objects of the issue.
INE140A07708	September 23, 2022	September 23, 2022	750.00	50.30	September 23, 2022	The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue): <ul style="list-style-type: none"> <li>• Not more than 20% for general corporate purposes of the issuer; and</li> <li>• At least 80% for repayment/prepayment/refinance of existing debt; The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines. Pending full utilization of Issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.</li> </ul>	The proceeds were utilised for meeting the objects of the issue.
INE140A07716	November 7, 2022	November 7, 2022	1,000.00	1,000.00	November 7, 2022	100% (one hundred percent) of the proceeds of the Issue shall be utilised by the Company, subject to applicable law, towards on lending to grow the asset book (including purchase of retail loan assets from Piramal Capital & Housing Finance Limited). The Company shall ensure that the proceeds of the issue are: <ol style="list-style-type: none"> <li>used in compliance with the applicable guidelines issued by Reserve Bank of India including Master Circular on Bank Finance to Non-Banking Financial Companies dated April 1, 2022, as amended from time to time;</li> <li>not permitted to be utilized towards activities like investment in capital markets, real estate, acquisition or purchase of land or for refinancing of debt which was used for the said purpose.</li> </ol>	The proceeds were utilised for meeting the objects of the issue.
INE140A07708	November 9, 2022	November 9, 2022	650.00	50.50	November 9, 2022	The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue): <ul style="list-style-type: none"> <li>• Not more than 20% for general corporate purposes of the issuer; and</li> <li>• At least 80% for repayment/prepayment/refinance of existing debt;</li> </ul>	The proceeds were utilised for meeting the objects of the issue.

ISIN	Date of Opening	Date of Closing	Total issue size (in ₹ crores)*	Total value of NCDs allotted (in ₹ crores)	Date of allotment	Objects of the issue	Utilisation of proceeds
						The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines. Pending full utilization of Issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.	
INE140A 07682	December 1, 2022	December 1, 2022	250.00	100.00	December 1, 2022	The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue): <ul style="list-style-type: none"> <li>• Not more than 20% for general corporate purposes of the issuer; and</li> <li>• At least 80% for repayment/prepayment/refinance of existing debt; The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines. Pending full utilization of Issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.</li> </ul>	The proceeds were utilised for meeting the objects of the issue.
INE140A 07724	January 31, 2023	January 31, 2023	500.00	500.00	January 31, 2023	100% (one hundred percent) of the proceeds of the Issue shall be utilised by the Company, subject to applicable law, towards on lending (including purchase of retail loan assets from Piramal Capital & Housing Finance Limited) to grow the asset book in compliance or for other business activities of the Company including refinancing of existing debt (other than any existing debt availed by the Company from lenders of the existing debt or its affiliates) or debt repayment. The Company shall ensure that the proceeds of the Issue are: <ol style="list-style-type: none"> <li>used in compliance with the applicable guidelines issued by Reserve Bank of India including Master Circular on Bank Finance to Non-Banking Financial Companies dated April 1, 2022, as amended from time to time;</li> <li>not permitted to be utilized towards activities like investment in capital markets, real estate, acquisition or purchase of land, speculative purposes or for refinancing of debt which was used for the said purpose.</li> </ol>	The proceeds were utilised for meeting the objects of the issue.
INE140A 07732	March 9, 2021	March 9, 2021	600.00	100.00	March 10, 2023	The proceeds of the issuance will be utilized for one or more of the following purposes (after meeting the expenses related to the issue): <ul style="list-style-type: none"> <li>• At least 80% for onward lending /repayment/prepayment/refinance of existing debt; And</li> <li>• Not more than 20% for general corporate purposes of the Issuer;</li> </ul> The proceeds of the issue will not be used for any purpose, which may be in contravention of the Governmental / RBI / SEBI / other regulatory guidelines. Pending full utilization of issue proceeds, the issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.	The proceeds were utilised for meeting the objects of the issue.

\* Issue size includes green shoe option, wherever applicable

PHL FinInvest Limited (merged with our Company pursuant to the Scheme)

ISIN	Date of Opening	Date of Closing	Total issue size (in ₹ crores)*	Total value of NCDs allotted (in ₹ Crs)	Date of allotment	Objects of the issue	Utilisation of proceeds
INE02L M07048	August 12, 2020	August 12, 2020	40.00	40.00	August 13, 2020	The funds raised through the issue, after meeting the expenditures of and related to the issue, will be used for our various financing activities, repay the existing loans and for their business operations.	The proceeds were utilized for meeting the object of the issue.

ISIN	Date of Opening	Date of Closing	Total issue size (in crores)*	Total value of NCDs allotted (in Crs)	Date of allotment	Objects of the issue	Utilisation of proceeds
						The main objects clause of the memorandum of association of the company permits the company to undertake the activities for which the funds are being raised through the present issue and also the activities which the company has been carrying on till date.	
INE02LM07055	December 12, 2020	December 15, 2020	1,400.00	1,400.00	December 15, 2020	<p>The proceeds of this issue shall be utilized for repayment of existing financial indebtedness, general corporate purpose and payment of fees and expenses related to this issuance.</p> <p>Funds raised by the issue shall not, directly or indirectly, be used for:</p> <ul style="list-style-type: none"> <li>(i) investment in capital markets (shares, debentures or any other instrument which qualifies as a capital market instrument);</li> <li>(ii) acquisition of land;</li> <li>(iii) the business of chit funds or Nidhi company;</li> <li>(iv) agricultural or plantation activities;</li> <li>(v) real estate business or construction of farm houses;</li> <li>(vi) trading in transferable development rights (TDRs);</li> <li>(vii) acquiring shares of Indian companies; or</li> <li>(viii) any other purpose which is prohibited under applicable law (including, but not limited to environmental or social laws and any regulations, guidelines or directions issued by the RBI in respect of loans and advances by banks and/or any illegal activity)</li> <li>(ix) refinancing any loans or non-convertible debentures proceeds of which were utilised for any of the activities listed under paragraphs (i) to (viii) above.</li> </ul>	The proceeds were utilized for meeting the object of the issue.
INE02LM07063	January 28, 2021	January 29, 2021	350.00	350.00	January 29, 2021	<p>The proceeds of the issue shall be utilized for repayment of existing financial indebtedness, general corporate purpose and payment of fees and expenses related to the issuance.</p> <p>Funds raised by the issue shall not, directly or indirectly, be used for:</p> <ul style="list-style-type: none"> <li>(i) investment in capital markets (shares, debentures or any other instrument which qualifies as a capital market instrument);</li> <li>(ii) acquisition of land;</li> <li>(iii) the business of chit funds or Nidhi company;</li> <li>(iv) agricultural or plantation activities;</li> <li>(v) real estate business or construction of farm houses;</li> <li>(vi) trading in transferable development rights (TDRs);</li> <li>(vii) acquiring shares of Indian companies; or</li> <li>(viii) any other purpose which is prohibited under applicable law (including, but not limited to environmental or social laws and any regulations, guidelines or directions issued by the RBI in respect of loans and advances by banks and/or any illegal activity)</li> <li>(ix) refinancing any loans or non-convertible debentures proceeds of which were utilised for any of the activities listed under paragraphs (i) to (viii) above.</li> </ul>	The proceeds were utilized for meeting the object of the issue.

\* Issue size includes green shoe option, wherever applicable

#### Utilisation details of previous issues of our Company

The proceeds from the previous issuance of non-convertible debentures by the Company have been and/or are being utilized in accordance with the use of proceeds set out in the respective offer documents and/or information memorandums under which such non-convertible debentures were issued which include, inter alia, to augment long-term resources of the Company, for on-lending and for general corporate purposes in accordance with the object clause of the Memorandum of Association of the Company.



### ***Public Issue undertaken by our Group Companies***

Our Group Companies have not undertaken any public issue of equity shares in the last three years.

### ***Rights Issue by our Group Companies***

Except as disclosed below, our Group Companies have not undertaken any listed rights issue of equity shares in the last three years.

#### ***Piramal Pharma Limited***

<b>Date of Opening</b>	<b>Date of Closing</b>	<b>Total issue size (in ₹ crores)</b>	<b>Total value of equity shares allotted (in ₹ crores)</b>	<b>Date of allotment</b>	<b>Objects of the issue</b>	<b>Utilization of proceeds</b>
August 8, 2023	August 17, 2023	1,050.00	1,049.80	August 22, 2023	Repayment or prepayment, in full or in part, of certain borrowings availed by our Company; General corporate purposes	The proceeds will be utilized for meeting the objects of the issue.

### ***Previous Public Issues of Non - Convertible Debenture by our Group Companies***

Our Group Companies has not made any previous public issues of non - convertible debentures in the last three years.

### ***Private placements by our Group Companies***

Except as disclosed below, our Group Companies have not undertaken any private placements of listed equity shares/ non-convertible debentures during the three years prior to the date of this Draft Shelf Prospectus.

#### ***Piramal Pharma Limited***

#### **Non-convertible debentures**

<b>ISIN</b>	<b>Date of Opening</b>	<b>Date of Closing</b>	<b>Total issue size (in ₹ crores)</b>	<b>Total value of NCDs allotted (in ₹ crores)</b>	<b>Date of allotment</b>	<b>Objects of the issue</b>	<b>Utilisation of proceeds</b>
INE0DK5 07018	May 06, 2021	May 06, 2021	200.00	200.00	May 7, 2021	Long Term Working Capital	The proceeds were utilized for meeting the objects of the issue.
INE0DK5 07026	September 23, 2022	September 23, 2022	100.00	100.00	September 28, 2022	The funds raised from the Issue are being disbursed partly as reimbursement of Capex already incurred in FY23 and for Future Capex requirement, each in compliance with the provisions of the applicable law.	The proceeds were utilized for meeting the objects of the issue.
INE0DK5 07034	September 30, 2022	September 30, 2022	100.00	100.00	October 3, 2022	Not more than 20% for general corporate purposes of the Issuer; and At least 80% for repayment/prepayment/refinance of existing debt	The proceeds were utilized for meeting the objects of the issue.

### Utilisation details of previous issues by our Group Companies

The proceeds from the previous issuance of listed non-convertible debentures by the Group Companies have been and/or are being utilized in accordance with the use of proceeds set out in the respective offer documents and/or information memorandums under which such non-convertible debentures were issued.

### Benefit/ interest accruing to Promoter/ Directors out of the Object of the Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of the Issue.

### Details regarding the Company and other listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, which made any capital issue during the last three years

There are no public or rights or composite issue of capital by listed companies under the same management within the meaning of Section 370(1) (B) of the Companies Act, 1956 during the last three years.

### Utilisation of proceeds of this Issue by our Group Companies

No proceeds of the Issue will be paid to our Group Companies.

### Default in payment

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period.

### Delay in listing

There has been no delay in the listing of any non-convertible securities issued by our Company. In the event of failure to list such securities within such days from the date of closure of issue as may be specified by the Board (scheduled listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within two working days from the scheduled listing date to the applicants through the permissible modes of making refunds and unblocking of funds. For delay in refund/unblocking of funds beyond the timeline as specified above, the issuer shall be liable to pay interest at the rate of fifteen percent per annum to the investors from the scheduled listing date till the date of actual payment.

### Details regarding lending out of issue proceeds of previous issues of debt securities (whether public issue or private placement)

#### Lending Policy

For lending policy in relation to each of the products of our Company, please see section titled “Our Business” on page 138 of this Draft Shelf Prospectus.

#### Loans given by our Company

The Company has not provided any loans/advances to associates, entities / persons related to the Board, Key Managerial Personnel, Senior Management or our Promoter out of the proceeds of previous private placements of debentures.

#### Summary of the key terms and conditions of the term loans

Nil

#### Types of loans

##### Classification of loans/advances given

The detailed breakup of the types of loans given by the Company as on March 31, 2023 is as follows:

Sl. No.	Type of loans	AUM (in ₹ crore)	AUM (in %)
1.	Secured Loan Book	8,014.91	59.10
2.	Unsecured Loan Book	1,601.22	11.81
3.	Investments Book and Others*	3,945.08	29.09
	<b>Total assets under management (AUM)</b>	<b>13,561.21</b>	<b>100.00</b>

\* Others refers to differences on account of approximation and rounding-off

**Denomination of loans outstanding by loan to value as on March 31, 2023\*:**

Sl. No.	LTV (at the time of origination)	Outstanding amount (in ₹ crores)	(in %)
1.	Upto 40%	497.24	17.95
2.	40-50%	345.73	12.48
3.	50-60%	349.98	12.63
4.	60-70%	321.28	11.60
5.	70-80%	79.86	2.88
6.	Above 80%	92.94	3.35
7.	Others <sup>#</sup>	1,083.72	39.11
	<b>Total</b>	<b>2,770.76</b>	<b>100.00</b>

\* For retail loans

# Refers to other cases which cannot be confirmed due to system migration

**Sectoral Exposure**

The sectoral exposure of loans given by the Company as on March 31, 2023 is as follows:

Sl. No.	Segment-wise gross break-up of AUM	Percentage of AUM
<b>1.</b>	<b>Retail</b>	<b>20.43%</b>
A.	Mortgages (home loans and loans against property)	6.40%
B.	Gold loans	0.00%
C.	Vehicle finance	1.30%
D.	MFI	4.50%
E.	MSME	7.67%
F.	Capital market funding (loans against shares, margin funding)	0.00%
G.	Others	0.56%
<b>2.</b>	<b>Wholesale</b>	<b>50.52%</b>
A.	Real Estate	30.75%
B.	Hotels and restaurants	8.36%
C.	Others	4.47%
D.	Renewables	1.60%
E.	Logistics	0.95%
F.	Investment company	0.74%
G.	Auto ancillary	0.74%
H.	Education	0.59%
I.	NBFCs	1.98%
J.	Warehousing	0.33%
K.	<b>Investment Book</b>	<b>29.05%</b>
	<b>Total</b>	<b>100.00%</b>

**Denomination of loans outstanding by ticket size as on March 31, 2023:**

Sl. No.	Ticket size (at the time of origination)	Percentage of AUM
1.	Upto ₹ 10 lakh	9.28%
2.	₹ 10-20 lakh	3.56%
3.	₹ 20 - 40 lakh	2.61%
4.	₹ 40 - 60 lakh	1.32%
5.	₹ 60 lakh - 1 crore	1.30%
7.	>₹ 1 crore	81.93%
	<b>Total</b>	<b>100.00%</b>

**Geographical classification of borrowers as on March 31, 2023:**

Sl. No.	Top 5 states	Percentage of AUM
1.	Maharashtra	37.96%
2.	Karnataka	21.21%

Sl. No.	Top 5 states	Percentage of AUM
3.	Delhi	14.68%
4.	Tamil Nadu	10.46%
5.	Gujarat	2.99%
6.	Others	12.70%
	<b>Total</b>	<b>100.00%</b>

**Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2023**

Particulars	Details
Total advances to twenty largest borrowers (in ₹ crores)*	5,126.34
Percentage of advances to twenty largest borrowers to total advances (in %)	50.57

\* Includes loans and investments at amortised cost

**Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2023**

Particulars	Details
Total exposures to twenty largest borrowers (in ₹ crore)*	6,023.53
Percentage of exposures to twenty largest borrowers to Total Advances (in %)	53.82

\* Includes loans, investments, capital commitments and letter of comfort

**Details of loans overdue and classified as non – performing in accordance with the RBI guidelines as on March 31, 2023**

Movement of gross NPAs	Amount (in ₹ crore)
Opening gross NPA – April 1, 2022	1,016.17
- Additions during the year	988.36
- Reductions during the year	1,494.00
Closing balance of gross NPA - March 31, 2023	511.53

Movement of provisions for NPAs (excluding provision on standalone assets)	Amount (in ₹ crore)
Opening balance – April 1, 2022	588.93
- Provisions made during the year	727.08
- Write-off/ write-back of excess provisions made during the year	1,027.95
Closing balance - March 31, 2023	288.06

**Segment-wise gross NPA as on March 31, 2023**

S. No	Segment- wise breakup of gross NPAs	Gross NPA (%)
<b>1.</b>	<b>Retail</b>	<b>0.05%</b>
A.	Mortgages (Home loans and loans against property)	0.00%
B.	Gold Loans	0.00%
C.	Vehicle Finance	0.00%
D.	MFI	0.00%
E.	M&SME	0.00%
F.	Capital market funding (Loans against shares, Margin funding)	0.00%
G.	Others	0.05%
<b>2</b>	<b>Wholesale</b>	<b>4.52%</b>
A.	Infrastructure	0.00%
B.	Real estate (including builder loans)	4.52%
C.	Promoter funding	0.00%
D.	Any other sector (as applicable)	0.00%
E.	Others	0.00%
	<b>TOTAL</b>	<b>4.57%</b>

**Details of any other contingent liabilities of the issuer based on last audited financial statements including amount and nature of liability**

Particulars	As on 31 March 2023
	(in ₹ crores)
<b>A. Contingent Liabilities:</b>	

Particulars	As on 31 March 2023
	(in ₹ crores)
<b>1. Claim against the Group not acknowledged as debt</b>	
- Others	9.61
<b>2. Others</b>	
i. Appeals filed in respect of disputed demands:	
Income Tax	
- where the Group is in appeal	408.90
- where the department is in appeal	321.05
Sales Tax	9.73
Central / State Exercise / Service Tax / Customs	61.83
Labour Matters	0.41
Stamp Duty	9.37
Legal Cases	17.97
ii. Guarantees provided by bank on behalf of Group	117.00
<i>Note: Future cash outflows in respect of 1 and 2(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.</i>	
<b>B. Commitments:</b>	
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	207.01
(b) Other commitments	20.76

### Promoter Shareholding

Please see “Capital Structure” beginning on page 61 for details with respect to Promoter shareholding in our Company as on the date of this Draft Shelf Prospectus.

### Residual maturity profile of assets and liabilities as on March 31, 2023 (in ₹ crore)

Particulars	Up to 30/31 days	> 1 month - 2 months	> 2 month - 3 months	> 3 month - 6 months	> 6 month - 1 Year	> 1 Year - 3 Years	> 3 Years - 5 Years	> 5 Years	Total
Deposit	-	-	-	-	-	-	-	-	-
Advances/Inflows	152.52	113.59	185.21	544.54	1,093.87	3,575.14	1,617.07	1,893.76	9,175.70
Investments	2,019.37	1,282.86	1,388.66	324.56	2,572.26	1,303.96	435.60	11,155.63	20,482.90
Borrowings	368.30	643.38	954.05	613.64	4,273.51	1,555.26	307.12	-	8,715.26
Foreign Currency Assets	49.41	49.41	49.41	-	-	-	-	-	148.23
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

#### Notes:

- Amount disclosed represents the amortised cost of the instruments as per Ind AS, as given in Note 2 (ii) of the standalone financial statements.
- Amount disclosed represents the amortised cost of loans and advances (Net of ECL) and Investments and fair value in case of FVTPL Loans and Advances as per Ind AS, as given in Note 2 (ii) & (iii) of the standalone financial statements.
- NCD forming part of Investments schedules are in the nature of Loans and Advances, and covered in Advances above
- Includes Assets held for Sale and Investment Property.

In case the issuer is a NBFC or HFC or PFI and the objects of the public issue entail loan to any entity which is a ‘Group Company’, then disclosures shall be made in the following format:

Sr. No.	Name of Borrower	Amount of Advance/ exposure to such borrower (Group Company) (₹ in crores) (A)	Percentage of Exposure = (A/ Total AUM)
1.	NA	NA	NA

The disclosure above is not applicable to our Company as the objects of the public issue do not entail loan to any entity which is a Group Company.

### Dividend

Our Company has formulated a dividend distribution policy in compliance with Regulation 43 of SEBI Listing Regulations. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our

shareholders, at their discretion, and will depend on a number of external and internal factors, including but not limited to our cash flow position, business growth, capital expenditure requirement and industry outlook.

Other than as disclosed below, our Company has not declared any Dividend on a standalone basis in Fiscals 2023, 2022 and 2021 and as of the date of this Draft Shelf Prospectus:

<b>Particulars</b>	<b>April 1, 2023 to the date of this Draft Shelf Prospectus</b>	<b>Financial Year ended March 31, 2023</b>	<b>Financial Year ended March 31, 2022</b>	<b>Financial Year ended March 31, 2021</b>
Equity Share Capital (₹ in crores)	<b>47.73</b>	<b>47.73</b>	<b>47.73</b>	<b>45.11</b>
Face Value Per Equity Share (₹) (a)	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Interim Dividend on Equity Shares (₹ per equity share)	-	-	-	-
Total Interim dividend on equity shares (₹ in crores)	-	-	-	-
Dividend Declared Rate (In %)	-	-	-	-
Final Dividend on Equity Shares (₹ per equity share) (b)	<b>Nil</b>	<b>31</b>	<b>33</b>	<b>33</b>
Total final dividend on equity shares (₹ in crores)	<b>Nil</b>	<b>739.86</b>	<b>787.59</b>	<b>787.59</b>
Dividend Declared Rate (In %) (c=b/a)	<b>N.A</b>	<b>1550%</b>	<b>1650%</b>	<b>1650%</b>

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

### **Commission or Brokerage on Previous Issues**

This is the maiden public issue of NCDs by the Company. Hence no commission has been paid in relation to any public issue of the NCDs.

### **Refusal of listing of any security of the issuer during last three financial years and the current financial year by any of the stock exchanges in India or abroad**

There has been no refusal of listing of any security of our Company during the last three financial years and the current financial year by any Stock Exchange in India.

### **Mechanism for redressal of investor grievances**

Link Intime India Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

The Registrar Agreement dated August 28, 2023 between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner and for retention of records with the Registrar to the Issue for a period of eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on Application and the details of Member of Syndicate or Trading Member of the Stock Exchanges where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Application Locations, giving full details such as name, address of Applicant, Application Form number, option applied for, number of NCDs applied for, amount blocked on Application.

Additionally, all grievances related to UPI process may be addressed to the Stock Exchanges which shall be responsible for addressing investor grievances arising from applications submitted online through the app based/ web interface platform of the Stock Exchanges or through its Trading Members. Further, in accordance with the Debt UPI Circular, the Designated Intermediaries shall be responsible for addressing any investor grievances arising from the Applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The Registrar shall endeavour to redress complaints of the investors within seven (7) days of receipt of the complaint and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a quarterly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

#### Registrar to the Issue



Logo:

**Name:** Link Intime India Private Limited

**Address:** C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India

**Tel:** +91 8108114949

**Facsimile:** +91 22 4918 6195

**Email:** [pel.ncd@linkintime.co.in](mailto:pel.ncd@linkintime.co.in)

**Investor Grievance Email:** [pel.ncd@linkintime.co.in](mailto:pel.ncd@linkintime.co.in)

**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)

**Contact Person:** Mr. Sumeet Deshpande

**SEBI Registration No.:** INR000004058

**CIN:** U67190MH1999PTC118368

#### Compliance Officer of our Company

Bipin Singh is the Company Secretary and Compliance Officer of our Company for this Issue. The contact details of the Compliance Officer are as follows:

**Address:** Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400 070

**Tel:** 022 3802 3805

**Email:** [bipin.singh@piramal.com](mailto:bipin.singh@piramal.com)

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit or refund orders.

#### Change in Auditors of our Company during the last three financial years and the current financial year

Except as disclosed below, there has been no changes in the statutory auditor of our Company:

Name of the Auditor	Address	Date of Appointment	Date of cessation if applicable	Date of Resignation if applicable
M/s. Suresh Surana & Associates LLP	308-309, Technopolis Knowledge Park, Mahakali Caves Road, Andheri (E), Mumbai – 400 093	July 29, 2022	-	-
Bagaria & Co LLP	701, Stanford, Junction of S.V.Road & Barfiwala Marg, Andheri (W), Mumbai - 400058	December 11, 2022	-	-
M/s. Deloitte Haskins & Sells LLP	One International Center Tower 3, 27 <sup>th</sup> -32 <sup>nd</sup> Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013, Maharashtra, India	August 1, 2017	July 29, 2022	-

#### Auditor's Remarks or Emphasis of Matter by Auditors

Except as disclosed in “Risk Factors” and “Outstanding Litigations and Defaults”, there are no reservations or qualifications or adverse remarks in the financial statements and financial position of our Company in the last three Fiscals and the current financial year immediately preceding this Draft Shelf Prospectus.

## Trading

Debt securities issued by our Company, which are listed on BSE's and NSE's wholesale debt market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

## Disclaimer statement from our Company, our Directors and the Lead Managers

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Managers and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

## Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or
- makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447.”

## Latest ALM statement

The following table describes the standalone ALM of our Company as on June 30, 2023:

(in ₹ crores)

Particulars	Upto 1 Month	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 12 Months	Over 1 Year upto 3 Years	Over 3 Year upto 5 Years	Over 5 Years	Total
<b>Liabilities</b>									
Borrowings	290.25	93.00	810.08	1,922.44	1,154.05	1,310.82	208.57	-	5,789.21
Other Liabilities	983.01	100.13	76.70	256.70	626.17	656.95	96.49	392.97	3,189.12
Equity	-	-	-	-	-	-	-	23,861.19	23,861.19
<b>Total</b>	<b>1,273.26</b>	<b>193.13</b>	<b>886.78</b>	<b>2,179.14</b>	<b>1,780.22</b>	<b>1,967.77</b>	<b>305.06</b>	<b>24,254.16</b>	<b>32,839.52</b>
<b>Assets</b>									
Cash & Bank Balances	2,615.03	-	-	0.04	-	-	-	166.12	2,781.19
Investments	1,055.69	1.81	125.89	486.69	874.72	1,236.64	384.52	12,178.14	16,344.10
Loans & Advances	266.18	180.36	225.63	856.47	1,119.51	4,112.32	1,561.37	1,418.25	9,740.09
Fixed Assets	-	-	-	-	-	-	-	11.76	11.76
Other Assets	269.12	57.47	77.03	404.79	549.34	2,304.27	896.21	2,427.14	6,985.37
<b>Total</b>	<b>4,206.02</b>	<b>239.64</b>	<b>428.55</b>	<b>1,747.99</b>	<b>2,543.57</b>	<b>7,653.23</b>	<b>2,842.10</b>	<b>16,201.41</b>	<b>35,862.51</b>
<b>Mismatch</b>	<b>2,932.76</b>	<b>46.51</b>	<b>-458.23</b>	<b>-431.15</b>	<b>763.35</b>	<b>5,685.46</b>	<b>2,537.04</b>	<b>-8,052.75</b>	<b>3,022.99</b>
<b>Cumulative Mismatch</b>	<b>2,932.76</b>	<b>2,979.27</b>	<b>2,521.04</b>	<b>2,089.89</b>	<b>2,853.24</b>	<b>8,538.70</b>	<b>11,075.74</b>	<b>3,022.99</b>	<b>3,022.99</b>



## REGULATIONS AND POLICIES

*The following description is a summary of the important laws, regulations and policies that are applicable to our business. The information detailed below has been obtained from the various legislations, including rules and regulations promulgated by regulatory and statutory bodies, and the bye-laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, statutory, administrative or judicial decisions.*

*In addition to the regulations and policies already specified in this Draft Shelf Prospectus, taxation statutes, the Information Technology Act 2000, various labour laws, environmental laws, corporate laws and other laws apply to us as they do to any other Indian company.*

The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions, as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

Any company which carries on the business of a non-banking financial institution as its principal business is to be treated as an NBFC. Since the term 'principal business' has not been defined in law, the RBI has clarified through a press release (Ref. No. 1998-99/ 1269) in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and income from financial assets should be more than 50% of the gross income. Both these tests are required to be satisfied as the determining factor for principal business of a company.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration (“CoR”). Further, with a view to imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, RBI has raised the requirement of minimum net owned fund from ₹ 0.25 crores to ₹ 2 crores for the NBFC which commences business on or after April 21, 1999. Further, every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 31 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a CoR.

Every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. No appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdraw.

### 1. Regulation of systemically important NBFCs registered with the RBI

Systematically important NBFCs are primarily governed by the RBI Act, 1934 (“RBI Act”), Master Direction on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“Master Directions”). In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

### 2. Types of NBFCs

NBFCs have been classified on the basis of the types of liabilities they access, types of activities they pursue and their perceived systemic importance.

#### Liabilities-based classification

NBFCs are classified on the basis of liabilities into two broad categories – a) deposit taking and b) non-deposit taking. Deposit taking NBFCs (NBFC – D) are subject to requirements of stricter capital adequacy, liquid assets maintenance, and exposure norms etc.

Further, in 2015, non-deposit taking NBFCs with asset size of Rs 5 billion and above were labelled as ‘systemically important non-deposit taking NBFCs’ (NBFC – ND – SI) and separate prudential regulations were made applicable to them.

### **Activity-based classification**

As per the RBI circular dated February 22, 2019, it merged the three categories of NBFCs viz. Asset Finance Companies (AFCs), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC) with the below definition: "Investment and Credit Company - (NBFC-ICC)" means any company which is a financial institution carrying on as its principal business - asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities; and is not any other category of NBFC as defined by RBI in any of its Master Directions. Within this broad categorization the different types of NBFCs are (a) investment and credit companies, (b) infrastructure finance companies, (c) infrastructure debt fund, (d) NBFC - micro finance institutions, (e) NBFC – factors, and (f) NBFC - non-operative financial holding company, (g) systemically important core investment companies and (h) mortgage guarantee companies.

### **3. Types of Activities that NBFCs are permitted to carry out**

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important, key differences. The most important distinctions are:

- (i) an NBFC cannot accept deposits repayable on demand;
- (ii) NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; and
- (iii) deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

### **4. Regulatory Requirements of an NBFC under the RBI Act**

#### ***Net Owned Fund***

Section 45-IA of the RBI Act ("Section 45-IA") provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with RBI and would be required to have a net owned fund of ₹ 0.25 crores but not exceeding ₹ 100 crores, as RBI may, by notification in the Gazette, specify. For this purpose, the RBI Act has defined "net owned fund" to mean:

- (i) the aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting therefrom:
  - (a) accumulated balance of losses,
  - (b) deferred revenue expenditure; and
  - (c) other intangible assets; and
- (ii) further reduced by the amounts representing:
  - (a) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs, and
  - (b) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group,

to the extent such amount exceeds 10% of (i) above.

#### ***Reserve Fund***

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned every year as disclosed in profit and loss account before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal, provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of 21 days by such further period as it thinks fit or condone any delay in making such report.

Further, in terms of the amendment of the Companies (Share Capital and Debentures) Rules, 2014 on August 16, 2019, NBFCs registered with RBI and HFCs registered with National Housing Bank are exempted from creation of debenture redemption reserve in case of public issue of debentures and privately placed debentures. However, listed NBFCs and HFCs shall on or before the April 30 in each year, invest or deposit, a sum which shall not be less than fifteen per cent, of the amount of its debentures maturing during the year ending on the March 31 of the next year in any one or more methods of investments or deposits as provided under Companies (Share Capital and Debentures) Rules, 2014, provided that the amount remaining invested or deposited, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on March 31 of that year.

#### ***Maintenance of liquid assets***

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as our Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Master Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no's, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

#### **5. Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended (*the "NBFC-ND-SI Directions"*)**

The Master Directions are, *inter alia*, applicable to Systemically Important Non-Deposit taking Non-Banking Financial Company ("**NBFC-ND-SIs**") registered with the RBI under the provisions of the RBI Act, 1934.

The Master Directions contain detailed directions on prudential norms for an NBFC-ND. The Master Directions, amongst other requirements prescribe guidelines regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, leverage ratio and concentration of credit/investment norms.

#### ***Asset Classification***

The Master Directions require that every NBFC (except NBFC-Micro Finance Institutions) shall after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- (i) Standard assets;
- (ii) Sub-standard assets;
- (iii) Doubtful assets; and
- (iv) Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. Further, as per the Master Directions, the asset classification norms for NBFCs are given below:

- (i) A standard asset shall mean the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business;
- (ii) A sub-standard asset shall mean (i) an asset that has been classified as NPA for a period not exceeding 12 months or (ii) an asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms.

- (iii) A doubtful asset shall mean a term loan, a lease asset, a hire purchase asset or any other asset that has remained sub-standard for a period exceeding 12 months.
- (iv) Loss asset would mean:
  - (a) an asset which has been identified as loss asset by the applicable NBFC or its internal or external auditor or by the RBI during the inspection of the applicable NBFC, to the extent it is not written off by the applicable NBFC; and
  - (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.
- (v) Further, the Master Directions define NPA as:
  - (a) an asset, in respect of which, interest has remained overdue for a period of three months or more;
  - (b) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of three months or more or on which interest amount remained overdue for a period of three months or more;
  - (c) a demand or call loan, which remained overdue for a period of three months or more from the date of demand or call or on which interest amount remained overdue for a period of three months or more;
  - (d) a bill which remains overdue for a period of three months or more;
  - (e) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans/advances, which facility remained overdue for a period of three months or more;
  - (f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of three months or more;
  - (g) the lease rental and hire purchase instalment, which has become overdue for a period of three months or more;
  - (h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower / beneficiary when any of the above credit facilities becomes non-performing asset, provided that in the case of lease and hire purchase transactions, an applicable NBFC shall classify each such account on the basis of its record of recovery.

### ***Capital Adequacy Norms***

Every NBFC shall maintain a minimum capital ratio consisting of Tier I capital and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. The Tier I capital in respect of Applicable NBFCs, at any point of time, shall not be less than 10%.

### ***Asset Liability Management***

RBI has prescribed the 'Guidelines for Asset Liability Management ("ALM") System in relation to NBFCs', ("**ALM Guidelines**") that are applicable to all NBFCs through Guidelines on "Asset Liability Management (ALM) System for NBFCs" dated June 27, 2001 ("**ALM Circular**"). As per the ALM Circular, the applicable NBFCs with an asset base of ₹ 1,00 crores, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 20 crores or more (irrespective of the asset size) as per their last audited balance sheet, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Pursuant to its circular dated November 4, 2019, the RBI has issued the 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies' (the "**LRM Guidelines**") in order to strengthen and raise the standard of the ALM framework applicable to NBFCs. The LRM Guidelines are required to be adhered to by all non-deposit taking NBFCs with asset size of ₹ 100 crores and above, systemically important Core Investment

Companies and all deposit taking NBFCs (irrespective of their asset size). Further, all non-deposit taking NBFCs with asset size of ₹10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, are required to maintain a liquidity buffer in terms of liquidity coverage ratio by ensuring that they have sufficient high quality liquid asset (“HQLA”) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days. The liquidity coverage ratio requirement shall be binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024. All non-deposit taking NBFCs with asset size of ₹ 5,000 crore and above but less than ₹ 1,000 crore shall also maintain the required level of liquidity coverage ratio starting December 1, 2020 with the minimum HQLAs to be held being 30% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024.

### ***Fair Practices Code***

The Master Directions prescribe a fair practices code that is required to be adhered to by NBFCs, and *inter alia*, includes the following:

- (i) Inclusion of necessary information affecting the interest of the borrower in the loan application form.
- (ii) Devising a mechanism to acknowledge receipt of loan applications and indicating a time frame within which such loan applications are to be disposed.
- (iii) Conveying, in writing, to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest thereof. The acceptance of such terms and conditions should be kept on record by the NBFC.
- (iv) Giving notice to the borrower in the vernacular language as understood by the borrower of any change in the terms and conditions and ensuring that changes are effected only prospectively.
- (v) Refraining from interfering in the affairs of the borrowers except for the purposes provided in the terms and conditions of the loan agreement.
- (vi) Not resorting to undue harassment in the matter of recovery of loans.
- (vii) Lay down an appropriate grievance redressal mechanism for resolving disputes.
- (viii) Periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management, a consolidated report whereof may be submitted to the board of directors at regular intervals, as may be prescribed by it.

NBFCs shall constitute grievance redressal machinery as contained in RBI’s circular on Grievance Redressal Mechanism, vide DNBS. CC. PD. No. 320/03.10. 01/2012-13 dated February 18, 2013 which states that at the operational level, all NBFCs shall display the name and contact details of the grievance redressal officer prominently at their branches/ places where business is transacted. The designated officer shall ensure that genuine grievances of customers are redressed promptly without involving any delay. It shall be clearly indicated that NBFCs' grievance redressal machinery shall also deal with the issue relating to services provided by the outsourced agency. Generally, a time limit of 30 (thirty) days may be given to the customers for preferring their complaints/ grievances. The grievance redressal procedure of the NBFC and the time frame fixed for responding to the complaints shall be placed on the NBFC's website.

### ***Corporate Governance Guidelines***

The Master Directions prescribed certain corporate governance norms required to be adhered to by NBFCs. The Master Directions, *inter alia*, provide for constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee and certain other norms in connection with disclosure, transparency and connected lending. Further, NBFCs with asset size of more than ₹ 5,000 crores in categories – investment and credit companies, infrastructure finance companies, micro finance institutions, factors and infrastructure debt funds are required to appoint a chief risk officer (“CRO”) with clearly specified role and responsibilities. The CRO is required to function independently so as to ensure highest standards of risk management.

### ***Norms for Excessive Interest Rates***

The Master Directions directed all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the Master Directions regulates

the rates of interest charged by the NBFCs. These directions stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs' website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

### ***KYC Guidelines***

The RBI has issued a 'Master Direction on Know Your Customer (KYC) Direction' dated February 25, 2016, as amended, ("**KYC Guidelines**") and advised all regulated entities (including NBFCs) to adopt such guidelines with suitable modifications depending upon the activities undertaken by them and ensure that a proper policy framework on KYC standards duly approved by the board of directors or any committee of the board of directors is put in place. The KYC policies are required to have certain key elements such as customer acceptance policy, customer identification procedures, monitoring of transactions and risk management. Persons authorised by NBFCs for collecting the deposits and their brokers/agents shall be fully compliant with the KYC Guidelines applicable to NBFC.

### ***Monitoring of Frauds Directions***

The RBI has issued a 'Master Direction on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016' dated September 29, 2016, as amended ("**Monitoring of Frauds Directions**") which are applicable to all deposit taking NBFCs and NBFC-ND-SIs, and requires them to put in place a reporting system for recording of frauds. Frauds involving ₹ 1 lakh and above are required to be reported to the RBI. Fraud reports are required to be submitted to the Central Fraud Monitoring Cell of the RBI in case amount of fraud is ₹ 1 crore and above. In cases where the amount of fraud is less than ₹1 crore, reports shall be sent in Form FMR-1 to the regional office of the Department of Non-Banking Supervision of the RBI, under whose jurisdiction the registered office of the related entity falls within 21 days of fraud detection. The amounts involved in frauds reported by the entity shall be disclosed in its balance sheet for the year of such reporting.

### ***Returns Master Direction***

The RBI has issued a 'Master Direction on Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016' dated September 29, 2016 ("**Returns Master Direction**") which lists detailed instructions in relation to submission of returns prescribed by the RBI for various categories of NBFCs, including their periodicity, reporting time, due date, and the purpose of filing such returns.

### ***Information Technology Framework***

Reserve Bank of India has issued 'Master Direction - Information Technology Framework for the NBFC Sector' dated June 8, 2017 ("**IT Directions**"). The focus of the IT direction is on information technology governance, information technology policy, information and cyber security, information technology operations, information security audit, business continuity planning and information technology services outsourcing. These directions are categorized into two parts, those which are applicable to all NBFCs with asset size above ₹500 crores (considered as systemically important) and directions for NBFCs with asset size below ₹ 500 crores. The IT Directions, *inter alia*, mandate NBFCs to form an information technology strategy committee, to formulate an information technology policy, an information security policy and cyber security policy. The IT Directions also prescribe the time frame within which the mandated activities should be completed by the NBFC.

### ***Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs dated November 9, 2017***

The RBI has specified the activities and financial services that cannot be outsourced by NBFCs and provided the bases for deciding materiality of outsourcing. These directions lay down the regulatory and supervisory requirements and risk management practices to be adhered to by the NBFCs, including the adoption of a comprehensive outsourcing policy by the board of such NBFCs. The outsourcing of any activity by an NBFC does not diminish its obligations, and those of its board and Senior Management. Further, such NBFCs are required to have a robust grievance redress mechanism, which in no way shall be compromised on account of outsourcing.

### ***Auditor's Report Directions***

The RBI has issued a 'Master Direction on Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016' dated September 29, 2016 ("**Auditor's Report Directions**") which sets out disclosures that are to

be included in every auditor's report on the accounts of an NBFC such as: (i) the validity of such NBFC's certificate of registration and whether the NBFC is entitled to continue to hold such certificate of registration in terms of its principal business criteria as of March 31 of the applicable year; and (ii) compliance with net owned fund requirements as laid down in the Master Directions.

### ***Dividend Circular***

The RBI has issued a circular on 'Declaration of Dividends by NBFCs' dated June 24, 2021 ("**Dividend Circular**") which specifies, inter alia, certain minimum prudential requirements (relating to its capital adequacy, net NPA and other criteria) for an NBFC to be eligible to declare dividend, the maximum permissible dividend payout ratio, the considerations to be taken into account by the board of directors of an NBFC while considering the proposal to declare dividend (such as supervisory findings of the RBI on divergence in classification and provisioning of NPAs, qualifications in the auditors' report to the financial statements, and long term growth plans) and the manner of reporting details of dividends declared. The Dividend Circular will be applicable to NBFCs for the declaration of dividends from the profits of the financial year ending March 31, 2022 and onwards.

### ***Circular on Fair Lending Practices***

The RBI has issued a circular on 'Fair Lending Practices – Penal Charges in Loan Accounts' dated August 18, 2023 ("**Circular on Fair Lending Practices**") which specifies that any penalty, if charged by the regulated entity, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. The Circular on Fair Lending Practices further iterates that any such entity regulated by RBI will formulate a separate policy on penal charges or similar charges on loans. The quantum and reason for penal charges shall be clearly disclosed by these regulated entities to the customers in the loan agreement and respective terms & conditions, as applicable, in addition to being displayed on their website. The Circular on Fair Lending Practices will be applicable to NBFCs from January 1, 2024.

### ***The Reserve Bank – Integrated Ombudsman Scheme, 2021 (the “Ombudsman Scheme”) dated November 12, 2021***

The RBI through its 'Statement on Developmental and Regulatory Policies' dated February 5, 2021, proposed the integration of the Ombudsman Scheme for Non-Banking Financial Companies, 2018 with the Banking Ombudsman Scheme, 2006 and the Ombudsman Scheme for Digital Transactions, 2019 under the 'One Nation One Ombudsman' approach for grievance redressal and has done the same through the Ombudsman Scheme effective from November 12, 2021. This is intended to make the process of redressal of grievances easier by enabling the customers of the banks, NBFCs and non-bank issuers of prepaid payment instruments to register their complaints under the integrated scheme, with one centralized reference point.

The Ombudsman Scheme was introduced by the RBI with the object of enabling resolution of complaints in respect of certain services rendered by certain categories of NBFCs, to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. Further, the RBI through its notification on Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021 has established the office of Internal Ombudsman for NBFCs along with its roles and responsibilities.

The Ombudsman Scheme, *inter alia*, establishes the office of the ombudsman, specifies the procedure for the redressal of grievances and the mechanism for appeals against the awards passed by the ombudsman.

### ***Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021***

The RBI notification requires the appointment of internal ombudsman by NBFCs fulfilling the following criteria as on the date of the circular: (a) Deposit-taking NBFCs (NBFCs-D) with 10 or more branches. (b) Non-Deposit taking NBFCs (NBFCs-ND) with asset size of ₹ 5,000 crores and above and having public customer interface. NBFCs are required to internally escalate all complaints that are partly or wholly rejected by the NBFC's internal grievance redress mechanism to the internal ombudsman for a final decision within a period of three weeks from the date of receipt of the complaint. Thereafter, the internal ombudsman and the NBFC are required to ensure that the final decision is communicated to the complainant within 30 days from the date of receipt of the complaint by the NBFC. In case any complaint is fully or partly rejected even after examination by the internal ombudsman, the NBFC is necessitated to advise to the complainant as part of the reply of the customer's option to approach the RBI Ombudsman for redress (if the complaint falls under the RBI Ombudsman mechanism) along with complete details.

### ***Anti-Money Laundering***

The Prevention of Money Laundering Act, 2002 ("**PMLA**") was enacted to prevent money-laundering and to provide for confiscation of property derived from or involved in, money-laundering and for matters connected therewith or

incidental thereto. Section 12 of the PMLA inter alia casts certain obligations on reporting entities (as defined under the PMLA) in relation to preservation of records and reporting of transactions. The Government of India under PMLA has issued the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, as amended (“**PML Rules**”). PMLA & PML Rules extends to all banking companies and financial institutions, including NBFCs and intermediaries.

Further the KYC Guidelines ensure that a proper policy frame work for the PMLA and PML Rules is put in place. Pursuant to the provisions of PMLA, PML Rules and the RBI direction, all NBFCs are advised to appoint a principal officer for internal reporting / reporting to Financial Intelligence Unit – India (FIU-IND) of suspicious transactions and cash transactions and to maintain a system of proper record (i) all cash transactions of value of more than ₹ 0.1 crores - or its equivalent in foreign currency; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 0.1 crores or its equivalent in foreign currency, where such series of transactions have taken place within a month and the aggregate value of such transaction exceeds ₹ 0.1 crores; (iii) all transactions involving receipts by non-profit organisations of value more than ₹ 0.1 crores, or its equivalent in foreign currency; (iv) all cash transactions where forged or counterfeit transactions. The NBFCs shall also appoint a designated director who shall be responsible for ensuring overall compliance as required under the PMLA and the PML Rules.

#### ***Master Circular on Prudential Norms***

The RBI, pursuant to its ‘Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances’ issued on October 1, 2021 (“**Master Circular on Prudential Norms**”), classifies NPAs into (i) standard assets; (ii) doubtful assets; and (iii) loss assets. The circular also specifies provisioning requirements specific to the classification of the assets. The Master Circular on Prudential Norms also lays down guidelines for classification of assets. It also urges the banks to ensure that while granting loans and advances, realistic repayment schedules may be fixed on the basis of cash flows with borrowers. Further, the Master Circular on Prudential Norms states that policy of income recognition should be objective and based on record of recovery rather than on any subjective considerations. Similarly, the classification of assets of banks has to be done based on objective criteria which would ensure a uniform and consistent application of the norms.

RBI further issued ‘Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications’ on November 12, 2021, read with its clarifications dated February 15, 2022, with a view to ensuring uniformity in the implementation of income recognition, asset classification and provisioning norms across all lending institutions. The circular, amongst other matters, requires borrower accounts to be flagged as overdue by lending institutions as part of their day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as special mention accounts (“**SMA**”) as well as NPA is required to be undertaken as part of day-end processes for the relevant date, such that the date of SMA/ NPA shall reflect the asset classification status of an account at the day-end of that calendar date. The circular clarifies that the SMA classification requirement for borrower accounts is applicable to all loans, including retail loans, irrespective of size of exposure of the lending institution. Further, the circular provides that upgradation of accounts classified as NPAs may be upgraded to ‘standard’ only if the entire arrears of interest and principal are paid by the borrower, as opposed to such upgradation being undertaken upon payment of only interest overdue.

The clarifications were made applicable immediately from the date of circular except for the instructions related to specification of due date / repayment date which were made applicable from December 31, 2021 and instructions related to non-performing assets classification in case of interest payments and customer education which will be applicable from March 31, 2022 onwards.

#### ***Guidelines on Risk-based Internal Audit (“RBI”) System for Select NBFCs and Urban Co-operative Banks (the “RBI Guidelines”)***

RBI for non-deposit taking NBFCs with an asset size of ₹50 billion and above (the “**RBI Applicable NBFCs**”), was mandated by the RBI through its notification dated February 3, 2021 bearing reference number DoS.CO.PPG./SEC.05/11.01.005/2020-21. Under the RBI Guidelines, RBI Applicable NBFCs are required to implement the RBI framework by March 31, 2022. The RBI Guidelines, inter alia, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes followed by RBI Applicable NBFCs. Under the RBI Guidelines, the board of directors of the RBI Applicable NBFC must approve a policy clearly documenting the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and the RBI function. It’s also mandated that the policy be reviewed periodically, and that the internal audit function not be outsourced. Further, the RBI Guidelines also require that the risk assessment of business and other functions of RBI Applicable NBFCs should be conducted at least on an annual basis.



### ***Master Circular dated January 5, 2022 on Bank Finance to Non-Banking Financial Companies***

The circular lays down RBI's regulatory policy regarding financing of NBFCs by banks. The circular specifies, *inter alia*, certain guidelines for bank finance to NBFCs registered with RBI and bank finance to NBFCs not requiring registration. The circular further specifies activities which are not eligible for bank credits (such as certain bills discounted/rediscounted by NBFCs, investments of NBFCs both of current and long-term nature and unsecured loans by NBFCs to any company) and other prohibitions on bank finance to NBFCs. The aforesaid circular also prescribes the prudential ceilings for exposure of banks to NBFCs

#### **6. Guidelines on Securitization of Standard Assets**

The RBI through its master direction dated September 1, 2016, provided the guidelines on securitization of standard assets. Further, the guidelines provides that loans can only be assigned or securitized if the NBFC has held them in their books for a specified minimum period. The guidelines also provide a mandatory retention requirement for securitization and assignment transactions. However, to ease the liquidity for NBFCs, the RBI pursuant to the circular dated November 29, 2018, relaxed the Minimum Holding Period (MHP) requirement for originating NBFCs, in respect of loans of original maturity above 5 years, to receipt of repayment of six monthly instalments or two quarterly instalments (as applicable). The said dispensation was initially applicable till six months from the date of issuance of the circular. However, the RBI vide its circular dated May 29, 2019 had extended the dispensation till December 31, 2019, and subsequently vide its circular dated December 31, 2019 had extended the dispensation till June 30, 2020.

Certain requirements are to be met by the originating NBFCs on transactions involving transfer of assets through direct assignment of cash flows and the underlying securities. NBFCs can transfer a single standard asset or a part of such asset or a portfolio of such assets to financial entities through an assignment deed with the exception of (i) revolving credit facilities (e.g., credit card receivables); (ii) assets purchased from other entities; (iii) assets with bullet repayment of both principal and interest. However, these guidelines shall not apply to: (i) transfer of loan accounts of borrowers by an NBFC to other NBFCs/ FIs /banks and vice versa, at the request/ instance of borrower; (ii) trading in bonds; (iii) sale of entire portfolio of assets consequent upon a decision to exit the line of business completely. Such a decision shall have the approval of board of directors of the NBFC; (iv) consortium and syndication arrangements; (v) any other arrangement/ transactions, specifically exempted by the Reserve Bank of India.

In order to limit the extent of effective control of transferred assets by the seller in the case of direct assignment transactions, NBFCs shall not have any re-purchase agreement including through clean-up calls on the transferred assets.

#### **Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021**

These directions are applicable to securitisation transactions undertaken subsequent to the issue of these directions. These are applicable to all transactions involving securitisation of standard assets involving Scheduled Commercial Banks, All India Term Financial Institutions, Small Finance Banks, Non-Banking Financial Companies (NBFCs) including Housing Finance Companies (HFCs). The directions provide a negative list i.e., list of the assets that cannot be securitised. The directions specify a minimum ticket size of Rs. 1 crore for issuance of securitisation notes. In the directions, RBI has the Minimum Retention Requirement (MRR) for different asset classes. For underlying loans with original maturity of 24 months or less, the MRR will be 5 per cent of the book value of the loans being securitised. For those with original maturity of more than 24 months as well as loans with bullet repayments, the MRR shall be 10 per cent of the book value of the loans being securitised. In the case of residential mortgage-backed securities, the MRR for the originator shall be 5 per cent of the book value of the loans being securitised, irrespective of the original maturity.

#### **7. External Commercial Borrowings (ECB) Policy**

The Reserve Bank of India has through the 'Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations' dated March 26, 2019 (the "**ECB Policy**"), notified the external commercial borrowings framework. Few of the changes as per the ECB Policy are, NBFCs, being eligible entities to receive FDI, are permitted to raise ECB up to USD 750 million or equivalent in a financial year under the automatic route and exceeding USD 750 million or equivalent in a financial year under the approval route and the eligible borrowers have been expanded to include all entities eligible to receive FDI. Vide RBI Notification No. FEMA. 3(R)(3)/2022-RB, dated 28.07.2022, the automatic route limit stands temporarily increased from USD 750 million to equivalent to USD 1.5 billion or equivalent. This relaxation was available for ECBs raised till December 31, 2022.

The ECB Policy, *inter alia*, provides for various aspects of ECB transactions, including eligible borrowers, recognised lenders, route of the ECB, minimum average maturity period, all-in-cost ceiling per annum.

## 8. Revised Regulatory Framework for NBFCs- Scale Based Classification

The RBI on October 22, 2021 put in place a revised regulatory framework for NBFCs (“**SBR Framework**”) which are effective from October 1, 2022 read with the detailed guidelines put in place by the RBI in its circular dated April 19, 2022. The SBR Framework for NBFCs contemplates the following layers of NBFCs:

- (i) **Base Layer:** The Base Layer shall comprise of (a) non-deposit taking NBFCs below the asset size of ₹10 billion crore and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.
- (ii) **Middle Layer:** The Middle Layer shall consist of (a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).
- (iii) **Upper Layer:** The Upper Layer shall comprise of those NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor. Further, the RBI, pursuant to its circular dated June 6, 2022, put in place provisioning norms in respect of 'standard' assets for NBFCs for the upper layer at certain specified rates.
- (iv) **Top Layer:** The Top Layer will ideally remain empty. This layer can get populated if the Reserve Bank is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer.

The SBR Framework also prescribes specific regulatory changes for each of the different layers in the regulatory structure, that is, capital guidelines, prudential guidelines, governance guidelines and the transition path. Further, the RBI, pursuant to its circular dated April 19, 2022 also prescribed certain additional disclosure requirements to be made by NBFCs in their financial statements, applicable for annual financial statements for the year ending March 31, 2023 onwards.

## 9. Loans and Advances – Regulatory Restrictions - NBFCs, dated April 19, 2022, as amended

The RBI introduced certain regulatory restrictions on lending in respect of NBFCs placed in different layers. The regulation states Loans and advances to Directors - Unless sanctioned by the Board of Directors/Committee of Directors, NBFCs shall not grant loans and advances aggregating to ₹ 5 crores and above to (a) their directors (including the Chairman/ Managing Director) or relatives of directors, (b) any firm in which any of their directors or their relatives is interested as a partner, manager, employee or guarantor, , (c) any company in which any of their directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor with respect to directors and separate set of guidelines for the advances to senior officers to the NBFCs, to the real estate sector and base layer guidelines.

## 10. RBI notification - Compliance Function and Role of Chief Compliance Officer (CCO) - NBFCs dated April 11, 2022, as amended

The NBFC-UL and NBFC-ML shall have an independent Compliance Function and a Chief Compliance Officer (CCO) latest by April 1, 2023 and October 1, 2023, respectively. The Board/Audit Committee (Board committee) shall ensure that an appropriate Compliance Policy is put in place and implemented. The Senior Management shall carry out an exercise, at least once a year, to identify and assess the major compliance risk facing the NBFC and formulate plans to manage it, shall submit to the Board a review at the prescribed periodicity and a detailed annual review of Compliance and report to the Board on any material compliance failure.

### Law applicable to our Subsidiaries

In addition to the above, our Subsidiary, PCHFL, is subject to various, laws, regulations and policies.

### *The National Housing Bank Act 1987 (“NHB Act”)*

The NHB Act was enacted to establish the National Housing Bank (“**NHB**”) to operate as the principal agency for the promotion of housing finance companies (“**HFCs**”), both at the local and regional levels, and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. The business of NHB includes, among others:

- promoting, establishing, supporting and aiding in the promotion, establishment and support of housing finance institutions;
- making loans and advances or rendering any other form of financial assistance for housing activities of HFCs, scheduled banks, state co-operative agricultural and rural development banks or any other institution or class of institutions as may be notified by the central government;
- guaranteeing the financial obligations of HFCs and underwriting the issue of stocks, shares, debentures and other securities of HFCs;
- formulating one or more schemes for the purpose of mobilisation of resources and extension of credit for housing;
- providing guidelines to HFCs to ensure their growth on sound lines; and
- providing technical and administrative assistance to HFCs and exercising all powers and functions in the performance of duties entrusted to the NHB under the NHB Act or under any other law for the time being in force.

Under the terms of the NHB Act, the NHB may, on being directed so to do by the RBI, cause an inspection of the books of accounts and other documents of any institution to which the NHB has provided a loan, advance or granted any other financial assistance. Further, the NHB is required to provide a copy of its report to such an institution. Also, the NHB is empowered to direct and collect the credit information from any HFC at any time in order to efficiently discharge its function.

The NHB may, at any time on its own or on being directed so to by the RBI, inspect any HFC in order to verify the correctness or completeness of any statement, information or particulars provided to the NHB, or for the purpose of obtaining any information or particulars which the HFC has failed to provide after being called upon to do so. If any HFC fails to comply with any direction given by the NHB, the NHB may take appropriate actions against the HFC.

Pursuant to the Finance (No. 2) Act, 2019, the NHB Act has been amended, pursuant to the NHB Act Amendments, to transfer the regulating authority for the housing finance sector from NHB to RBI. Accordingly, amongst others, (i) HFCs are now required to apply to the RBI for registration under the NHB Act, in place of the NHB; and (ii) the RBI has now been conferred the power (a) to determine the percentage of assets to be maintained in terms of its investments and its reserve fund to be maintained; and (b) to regulate, by specifying conditions or prohibit the issue by any HFC of any prospectus or advertisement soliciting deposits of money from the public. However, the NHB Act Amendments, retain certain powers with the NHB, in addition to conferring such powers on the RBI, such as power to conduct inspections and request for documents from the HFCs.

Further, pursuant to the amendments to the 'Master Direction –Exemptions from the RBI Act, 1934 dated November 24, 2020, sections 45 –IA, 45 -IB and 45 –IC of the RBI Act, which deal with requirement of registration and net owned fund, maintenance of percentage assets, and the setting up and maintenance of a reserve fund are not applicable to HFCs.

Accordingly, activities of HFCs, are primarily regulated by the RBI and the NHB, including various aspects of our business such as definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Certain other generally applicable legislations as set out below also regulate other aspects of our business such as recovery of debt and taxation.

#### *Capital Requirement*

As per the Reserve Bank HFC Directions, every HFC is required to maintain a minimum capital adequacy ratio, consisting of tier I capital and tier II capital. Currently HFCs are required to comply with a CRAR, consisting of tier I and tier II capital, of at least 14% on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter, of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. At a minimum, tier I capital of HFCs cannot be less than 10%. Further, the total tier II capital at any point of time, should not exceed 100% of tier I capital.

#### *Accounting Standards*

HFCs that are required to implement Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in terms of the Reserve Bank HFC Directions. Other HFCs shall comply with the requirements of notified Accounting Standards (AS) insofar as they are not inconsistent with any of the directions provided under the Reserve Bank HFC Directions.

### *Income Recognition and Provisioning Requirements*

The Reserve Bank HFC Directions require that income recognition be based on recognized accounting principles. Amongst others, income including interest, discount or any other charges on NPA shall be recognized only when it is actually realised. Any such income recognized before the asset became NPA and remaining unrealized shall be reversed. The interest income earned on NPA accounts shall be recognised in accordance with principles laid out in the Ind AS. Further, the Reserve Bank HFC Directions require the board of directors of every HFC to frame investment policy for the company and shall implement the same. The criteria to classify the investments into current and long-term investments shall be spelt out by the board of the such HFCs ex-ante in the investment policy and the investments in securities shall be classified into current and long term, at the time of making each investment.

Every HFC shall, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against standard assets, sub-standard assets, doubtful assets and loss assets.

### *Regulatory Restrictions*

A HFC cannot lend against its own shares. Further, no HFC shall grant housing loans to individuals up to (a) ₹30 lakhs with LTV ratio exceeding 90%; (b) above ₹30 lakhs and up to ₹75 lakhs exceeding 80%; and (c) above ₹75 lakhs with LTV ratio exceeding 75%. Further, the Reserve Bank HFC Directions provide for the definition of LTV ratio.

### *Acceptance/renewal of public deposits*

No housing finance company shall accept or renew public deposit unless the HFC has obtained minimum investment grade rating for fixed deposits from any one of the approved credit rating agencies, at least once a year and a copy of the rating is sent to the NHB and it is complying with all the prudential norms.

### *Acquisition / Transfer of Control*

In terms of the Reserve Bank HFC Directions, prior written permission of Reserve Bank of India shall be required for the following any takeover or acquisition of control of an HFC, which may or may not result in change of management, any change in the shareholding of an HFC accepting/ holding public deposits, including progressive increases over time, which would result in acquisition/ transfer of shareholding of 10% or more of the paid-up equity capital of the HFC by/to a foreign investor or any change in the shareholding of an HFC, including progressive increases over time, which would result in acquisition/ transfer of shareholding of 26% or more of the paid-up equity capital of the HFC. Provided that, prior approval would not be required in case of any shareholding going beyond 10% or 26%, as applicable, due to buyback of shares/ reduction in capital where it has approval of a competent court. However, the same shall be reported to the NHB not later than one month from the date of its occurrence.

### *Corporate Governance*

In terms of the Reserve Bank HFC Directions, the corporate governance norms shall be applicable to all public deposit accepting / holding HFCs and every non-public deposit accepting HFC with assets size of ₹ 50 crores and above, as per the last audited balance sheet (“**Applicable HFCs**”). The Applicable HFCs are required to constitute audit committee, nomination and remuneration committee, asset liability management committee and a risk management committee. The audit committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced.

At regular intervals, as may be prescribed, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Applicable HFC must be placed before the board of directors. The Applicable HFCs are also required to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm.

Further, the Reserve Bank HFC Directions provide for appointment of a chief risk officer (“CRO”) for HFCs with an asset size of ₹5,000 crores with clearly specified role and responsibilities. The CRO, who shall be a senior official in the hierarchy of an HFC and shall possess adequate professional qualification / experience in the area of risk management, is required to function independently so as to ensure highest standards of risk management.

Further, all HFCs shall ensure that a policy is put in place with the approval of the board of directors for ascertaining the ‘fit and proper’ criteria of the directors at the time of appointment, and on a continuing basis. The policy on the ‘fit and proper’ criteria shall be on the lines of the guidelines contained in the Reserve Bank HFC Directions.

### *Guidelines on private placement of NCDs (“Guidelines”)*

A HFC can issue non-convertible debentures (“Debentures”) for deployment of funds for creation of own assets. However, no HFC shall issue non-convertible debentures to facilitate resource requests of or utilization by group entities/ parent company/ associates. The NCDs proposed to be issued by a HFC shall not be issued for maturities of less than 12 months from the date of the issue. Further, exercise date of option (put/call), if any, attached to the Debentures shall not fall within the period of one year from the date of issue. Further, eligible HFCs shall obtain credit rating for the for the issue of Debentures from one of the credit rating agencies, viz., the Credit Rating Information Services of India Limited or the Investment Information and Credit Rating Agency of India Limited or the Credit Analysis and Research Limited or the FITCH Ratings India Private Limited or Brickwork Ratings India Private Limited or such other agencies registered with SEBI or such other credit rating agencies as may be specified by RBI.

In terms of the Guidelines, there shall be a limit of 200 subscribers for every financial year, for issuance of Debentures with a maximum subscription of less than ₹1 crore, and such subscription shall be fully secured and there shall be no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹1 crore and the option to create security in favour of subscribers to Debentures will be with the issuers of such Debentures. Further, the minimum subscription per investor shall be ₹0.2 lakhs.

The issues under the Guidelines are to be completed within a period of 30 days from the date of issue opening. The Guidelines require the offer document of the issue to be made within a maximum period of 6 months from the date of the board resolution authorizing the issue and also require a board approved policy for resource planning which covers the planning horizon and the periodicity of the private placement of non-convertible debentures.

### *Master Directions –Reserve Bank of India (Priority Sector Lending)–(Targets and Classifications) Directions, 2020 (the “PSL Master Directions”)*

The priority sector lending (“PSL”) guidelines were enacted with a view to govern priority sector advances and loans granted by scheduled commercial banks including regional rural banks, small finance banks, local area banks and primary urban co-operative banks, other than salary earners’ banks, licensed to operate in India.

The PSL Master Directions govern priority sector advances and loans granted by scheduled commercial banks (excluding regional rural banks and small finance banks) regulated by the RBI to HFCs (approved by NHB for the purpose of refinance), for on-lending for purchase, construction or reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹ 20 lakhs per borrower. The eligibility under the PSL Master Directions to HFCs for on-lending is restricted to 5% of the individual bank’s total PSL. The average maturity of such priority sector assets created by those who are eligible intermediaries should be co -terminus with the maturity of the bank loan.

### *RBI circular on Co-lending by Banks and NBFCs to Priority Sector dated November 5,2020*

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserved sections of the economy. By entering co-lending arrangements, banks and non-banking financial companies can combine the relative advantages of the two to provide financial services.

Banks are permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the NBFCs will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account. The liability for the representations and warranties found in the master agreement will be ascribed to the originating NBFCs. The co-lenders will be mutually required to set up a framework for loan monitoring and recovery, grievance redressal mechanism, arrange for the creation of security and charge and ensure compliance with internal guidelines.

### *Guidelines on Risk-based Internal Audit (“RBI”) System for HFCs (“RBI Guidelines”)*

The RBI for all deposit-taking HFCs, irrespective of their size and non-deposit taking HFCs with an asset size of ₹ 5,000 crore and above (“**Applicable HFCs**”), was mandated by the RBI through its notification dated June 11, 2021 bearing reference number RBI/2021-22/53 DoS.CO. PPG.SEC/03/11.01.005/2021-22. Under the RBI Guidelines, Applicable HFCs are required to implement the RBI framework by June 30, 2022.

The RBI Guidelines, inter alia, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes followed by the Applicable HFCs. Under the RBI Guidelines, the board of directors of the Applicable HFC must approve a policy clearly documenting the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and the RBI function. It is also mandated that the policy be reviewed periodically, and that the internal audit function

not to be outsourced. Further, the RBIA Guidelines also require that the risk assessment of business and other functions of Applicable HFCs should be conducted at least on an annual basis

***Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 dated June 7, 2019 (“Prudential Framework”)***

The Prudential Framework mandates that in cases where a resolution plan is to be implemented, all lenders shall enter into an inter-creditor agreement, within thirty days from default (“Review Period”), to provide for ground rules for finalization and implementation of the resolution plan in respect of borrowers with credit facilities from more than one lender.

Due to the impact of Covid-19, the RBI vide circular RBI/2019-20/219 DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020, decided to extend the resolution timelines under the Prudential Framework, which were further extended by the RBI vide circular RBI/2019-20/245 DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020 in the following manner:

- i. for accounts which were within the Review Period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all such accounts, the residual Review Period shall resume from September 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution; and
- ii. for accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.

Further, the RBI through its ‘Statement of Developmental and Regulatory Policies’ dated August 6, 2020, stated that with the intent to facilitate revival of real sector activities and mitigate the impact on the ultimate borrowers, it has been decided to provide a separate resolution framework under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible corporate exposures /accounts without change in ownership, and personal loans, while classifying such exposures as standard (as set out under the Prudential Framework) subject to specified conditions. The RBI has also issued a notification on August 6, 2020 titled ‘Resolution Framework for COVID-19-related Stress’ (“Covid-19 Resolution Framework”). Under the Covid-19 Resolution Framework, lending institutions are required to frame policies, as approved by their board of directors, for implementation of viable resolution plans for eligible borrowers pursuant to the Covid-19 Resolution Framework and ensure that the resolution plans under this facility are extended only to borrowers bearing stress on account of the COVID-19 pandemic. Exposures of housing finance companies where the account has been rescheduled after March 1, 2020 in terms of para 2(1)(zc)(ii) (which defines sub-standard assets) of the NHB Directions, are not eligible for a resolution plan under Covid-19 Resolution Framework, unless a resolution plan has been invoked by other lending institutions thereunder. However, from the date of Covid-19 Resolution Framework, any resolution plan necessitated on account of the economic fallout of Covid-19 pandemic, shall be undertaken only under the Covid-19 Resolution Framework.

***Guidelines for Asset Liability Management System for HFCs dated October 11, 2010, as amended (“ALM Guidelines”)***

The ALM Guidelines lay down broad guidelines in respect of systems for the management of liquidity and interest rate risks. The ALM Guidelines provide that the board of directors of an HFC should have overall responsibility for the management of risks and should decide the risk management policy and set limits for liquidity, interest rate, exchange rate and equity price risks. Additionally, an asset-liability committee is required to be constituted, consisting of the HFCs senior management including the chief executive officer, for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFCs budget and decided risk management objectives. Asset-liability management support groups to be constituted of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the asset-liability committee.

The ALM Guidelines also recommended the classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). The gap is the difference between rate sensitive assets and rate sensitive liabilities for each time bucket. In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioural pattern of various components of assets and liabilities on the basis of past data or empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee/board of the HFC.

***Special Liquidity Scheme by RBI dated July 1, 2020***

RBI vide circular dated July 1, 2020 informed that the government of India approved providing non-banking financial companies and HFCs with a scheme to improve their liquidity position. A HFC would be eligible for the scheme if (i) it is registered with the NHB; (ii) capital to risk weighted assets ratio / capital adequacy ratio should not be below the regulatory minimum, i.e. 15% and 12% respectively as on March 31, 2019; (iii) NNPA should not be more than 6% as on March 31, 2019; (iv) should have made net profit in at least one of the last two preceding financial years (i.e. 2017-18 and 2018-19); (v) should not have been reported under special mention accounts-1 or special mention accounts-2 category by any bank for their

borrowings during last one year prior to August 1, 2018; (vi) should be rated investment grade by a SEBI registered rating agency; (vii) comply with the requirement of the special purpose vehicle (“SPV”) for an appropriate level of collateral from the entity, which, however, was optional and to be decided by the SPV. An SPV set up as per this scheme would purchase short term papers from eligible non-banking financial companies/HFCs, who are to use the proceeds solely for the purpose of extinguishing existing liabilities with instruments as commercial papers and non-convertible debentures with a residual maturity of not more than three months and are rated as investment grade. The facility would not be available for any paper issued after September 30, 2020 and recover all dues by December 31, 2020.

#### ***Model Code of Conduct for Direct Selling Agents (DSAs) / Direct Marketing Agents (DMAs) (“Code of Conduct”)***

The Code of Conduct was issued by the NHB with the objective of safeguarding the interest of the housing finance industry and public at large. The Code of Conduct applies to any person or legal entity involved in marketing and distribution of any loan or other financial products or services of HFCs. The DSAs or DMAs or/and their employees and representatives are required to abide by the Code of Conduct prior to undertaking any direct marketing operation and distribution on behalf of the HFC. Under the Code of Conduct, HFCs shall not engage DSAs or DMAs who do not have any valid registration certificate from the Department of Telecommunication, Government of India as telemarketers. As per the Code of Conduct, the DSAs and DMAs can contact a prospect by telephone between 09:30 hours and 19:00 hours. The DSAs and DMAs or/and their employees and representatives are required to respect a prospect’s privacy and his/her interest may normally be discussed only with the prospect and with any other individual/family member such as prospect’s accountant/secretary/ spouse only when authorized to do so by the prospect. The DSAs and DMAs shall not mislead the prospect on any product or service offered by a HFC, shall not falsely represent themselves as a HFCs employees and shall not make any false commitment on behalf of a HFC. The Code of Conduct specifies that the terms and conditions governing the contract between the HFC and the service provider should be carefully defined in written agreements and vetted by HFCs legal counsel on their legal effect and enforceability.

#### ***KYC and AML***

In terms of the provisions of the PMLA and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, HFCs are required to follow certain customer identification procedures while undertaking a transaction either by establishing an account based relationship or otherwise by monitoring their transactions. Further, pursuant to the amendment of the NHB Act by the Finance (No.2) Act, 2019, certain powers for regulation of HFCs were conferred upon RBI pursuant to which the Master Direction –Know Your Customer (KYC) Directions, 2016 are applicable on the HFC.

#### ***Guidelines on Wilful Defaulters dated December 31, 2015 (“Wilful Defaulters Guidelines”)***

Pursuant to the advice of the RBI and recommendations of the Puri Committee Report, the NHB under the Wilful Defaulters Guidelines has laid down the mechanism for identification and reporting requirements of wilful defaulters by the HFCs. Every instance above the ₹ 25 lakhs limit of siphoning or diversion of funds along with all instances of default by wilful defaulters above this threshold shall merit a disclosure and intimation to all credit information companies (“CIC”) on a monthly basis or more frequent basis, latest by 15<sup>th</sup> of the subsequent month. The penal provisions envisaged under the Wilful Defaulters Guidelines include: (a) restriction of any further facilities being advanced to a listed wilful defaulter; (b) legal proceedings for recovery along with foreclosure for recovery of dues to be initiated expeditiously along with pursuing criminal proceedings wherever necessary; (c) a proactive approach towards seeking a change of management of a wilful defaulter entity; and (d) a covenant to be included in the lending terms restricting any entity to whom financing is provided, to refrain from inducting a listed wilful defaulter on its board. The HFCs are required to put in place transparent mechanisms so that the penal provisions are not misused and timely intimation to the CICs may be made as required.

#### ***Norms for Excessive Interest Rates***

The NHB pursuant to its circular on Excessive Interest Charged by Housing Finance Companies on Housing Loans dated June 2, 2009 has advised all HFCs to revisit internal policies in determining interest rates, fees and other charges. According to this notification, the board of each HFC is required to revisit its policies on interest rate determination, fees and other charges, including margins and risk premiums charged to different categories of borrowers and approve the same. HFCs are advised to put in place an internal mechanism to monitor the process and operations in relation to the disclosure of interest rates and charges in view of the guidelines indicated in the Fair Practices Code to ensure transparency in communications with borrowers.

#### ***Auditor’s Report (National Housing Bank) Directions, 2016***

The NHB pursuant to its circular dated July 2, 2018 issued the Housing Finance Companies –Auditor’s Report (National Housing Bank) Directions, 2016 which mandates that in addition to the report made by the auditor under the Companies Act, 2013 the auditor performing an audit in connection with HFCs shall also make a separate report to the board of directors of the company containing details of non-compliances and unfavourable statements, indicating such facts together with reasons thereof. Furthermore, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the housing finance company to the Department of Regulation & Supervision, NHB, New Delhi.

### ***Master Direction –Information Technology Framework for the NBFC Sector dated June 8, 2017***

Pursuant to the revised regulatory Framework dated October 22, 2020, RBI has extended the application of the Master Direction –Information Technology Framework for the NBFC Sector dated June 8, 2017 to HFCs. Systemically important NBFCs and HFCs are required to enhance security of their information technology and information security framework as per the security enhancement requirements mentioned therein. Information technology strategy committee and an information technology steering committee are required to be constituted along with formulation of an information technology policy and an information security policy. A cyber-security policy should also be implemented to combat cyber threats along with a cyber crisis management plan for cyber intrusions and attacks. All types of unusual security incident as specified therein are to be reported to RBI in the prescribed format. An annual risk assessment must be undertaken for the assessment of threats and vulnerabilities of the information technology assets. An internal information systems audit has also been prescribed for providing an insight on the effectiveness of controls to ensure confidentiality, integrity and availability of infrastructure. Further, a business continuity planning policy approved by the Board of Directors is prescribed to tackle disaster recovery in unforeseen natural or man-made disasters.

### ***Master Direction –Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016***

Pursuant to the Reserve Bank HFC Directions, RBI has extended application of the Master Direction–Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 to HFCs. As prescribed, quarterly case-wise reports on frauds outstanding are to be submitted with the regional office of the RBI within 15 days of each quarter.

In order to have uniformity in reporting, frauds have been classified as under mainly based on the provisions of the Indian Penal Code:

1. Misappropriation and criminal breach of trust;
2. Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property;
3. Unauthorized credit facilities extended for reward or for illegal gratification;
4. Negligence and cash shortages;
5. Cheating and forgery;
6. Irregularities in foreign exchange transactions; and
7. Any other type of fraud not coming under the specific heads as above.

Systemically important NBFCs and now HFCs are required to put in place a system for reporting frauds and to fix accountability with staff with respect to delays in reporting fraud cases to the RBI. All cases of fraud of ₹ 100,000 and above are to be reported to RBI, and if the fraud is ₹ 1 crore or above, the report is to be sent in the prescribed format within three weeks from the date of detection of the fraud. Further, fraud by unscrupulous borrowers are also required to be reported. As prescribed cases of attempted fraud involving ₹25 lakhs or more are required to be placed before the audit committee with information about the fraud. Systemically important NBFCs and now HFCs are required to submit quarterly reports on frauds outstanding to the Department of Non-Banking Supervision of the RBI and are also required to furnish case-wise progress report on frauds involving ₹100,000 and above. Further, annual as well as quarterly review of frauds is required to be placed before the Board of Directors and frauds of ₹100,000 and above must be promptly reported to the Board of Directors. Further, all frauds involving an amount if ₹1 crore or above are to be monitored and reviewed by the Audit Committee.

### ***RBI Guidelines for Appointment of Statutory Central Auditors (“SCAs”)/Statutory Auditors (“SAs”) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 (“RBI Auditors Guidelines”)***

The RBI Auditors Guidelines are applicable to commercial banks (excluding regional rural banks), urban co-operative banks and NBFCs (including HFCs) for FY 2021-22 and onwards in respect of appointment/ reappointment of SCAs/ SAs. As the RBI Auditors Guidelines shall be implemented for the first time for urban co-operative banks and NBFCs from FY 2021-22, they shall have the flexibility to adopt the guidelines from second half of FY 2021-22 in order to ensure that there is no disruption.

While NBFCs, including HFCs, do not have to take prior approval of RBI for appointment of SCAs/ SAs, all NBFCs, including HFCs, need to inform RBI about the appointment of SCAs/ SAs for each year by way of a certificate within one month of such appointment. Further, the RBI Auditors Guidelines provide for, inter alia, the minimum and maximum number of SCAs/ SAs per entity, eligibility criteria for auditors, tenure and rotation, independence of auditors and professional standards of SCAs/ SAs. RBI Auditors Guidelines also provide for entities with asset size of ₹ 15,000 crore and above as at the end of previous year, the statutory audit should be conducted under joint audit of a minimum of two audit firms partnership firms/Limited



Liability Partnerships (LLPs). All other Entities should appoint a minimum of one audit firm for conducting statutory audit. It shall be ensured that joint auditors of the Entity do not have any common partners and they are not under the same network of audit firms.

**SECTION VIII: PROVISIONS OF ARTICLES OF ASSOCIATION**

These Articles were adopted pursuant to a Special Resolution passed at an Extraordinary General Meeting held on 23rd August, 1979

**THE COMPANIES ACT 1956 COMPANY LIMITED BY SHARES ARTICLES OF ASSOCIATION**

**OF**

**PIRAMAL ENTERPRISES LIMITED**

1.	<p>No regulations contained in Table A, in the First Schedule to the Companies Act, 1956, or in the Schedule to any previous Companies Act, shall apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives, shall subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution, as prescribed by the Said Companies Act, 1956, be such as are contained in these Articles.</p>	<p><i>Table 'A' not to apply but Company to be governed by these Articles</i></p>
<p><b>INTERPRETATION</b></p>		
2.	<p>In the interpretation of these Articles, unless repugnant to the subject or context:</p> <p>“The Company” or “this Company” means Piramal Enterprises Limited.</p> <p>“The Act means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being force.</p> <p>“Auditors means and includes those persons appointed as such for the time being by Company, under Section 224 of the Act.</p> <p>“Beneficial owner” shall mean beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996;</p> <p>(inserted by a special resolution passed at the A.G.M. held on 14th October, 1997)</p> <p>“Board” or “Board of Directors” means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at the Board of Directors of the Company collectively.</p> <p>“Capital” means the share capital for the time being raised or authorised to be raised for the purpose of the Company.</p> <p>Debenture includes debenture-stock.</p> <p>“Depositories Act” 1996” shall include any statutory modification or re- enactment thereof; and (inserted by a special resolution passed at the A.G.M. held on 14th October, 1997)</p> <p>“Depository” shall mean a Depository as defined under clause (e) of sub- section (1) of Section 2 of the Depositories Act, 1996.</p> <p>(Inserted by a special resolution passed at the A.G.M. held on 14th October, 1997)</p> <p>“Directors” means the Director for the time being of the Company or as the case may be, the Directors assembled at a Board.</p> <p>“Dividend” includes bonus.</p> <p>Words importing the masculine gender also include the feminine gender.</p> <p>“In writing” and “Written” includes printing. Lithography and other modes of representing or reproducing words in a visible form.</p>	<p><i>Interpretation Clause</i></p> <p><i>“The Company” or “this Company”</i></p> <p><i>“The Act”</i></p> <p><i>“Auditors”</i></p> <p><i>“Beneficial owner”</i></p> <p><i>“Board or Board of Directors”</i></p> <p><i>“Capital”</i></p> <p><i>“Debenture”</i></p> <p><i>“Depositories Act”</i></p> <p><i>“Depository”</i></p> <p><i>“Directors”</i></p> <p><i>“Dividend”</i></p> <p><i>“Gender”</i></p> <p><i>“In writing” and “Written”</i></p>

<p>“Member means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company and the beneficial owner (s) as defined in clause (a) of sub- section (1) of Section 2 of the Depositories Act, 1996.</p> <p>(Amended by a special resolution passed at the A.G.M. held on 14th October, 1997)</p> <p>“Meeting” or “General Meeting” means a meeting of members.</p> <p>“Annual General Meeting” means a general meeting of the members held in accordance with the provisions of Section 166 of the Act.</p> <p>“Extraordinary General Meeting” means an extraordinary general meeting of the members duly called and constituted and any adjourned holding thereof.</p> <p>“Month” means a calendar month.</p> <p>“Office” means the registered office for the time being of the Company.</p> <p>“Paid-up” includes credited as paid up.</p> <p>“Persons” includes corporations and firms as well as individuals.</p> <p>“Register of Members” means the Register of members to be kept pursuant to the Act.</p> <p>“The Registrar” means the Registrar of Companies of the State in which the Office of the Company is for the time being situate.</p> <p>“Secretary” means a Company Secretary within the meaning of the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a Secretary under the Act or any other ministerial or administrative duties.</p> <p>“Seal” means the Common Seal for the time being of the Company.</p> <p>“Share” means share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.</p> <p>Words importing the “Singular number” include, Where the context admits or requires, the plural number and vice versa.</p> <p>“Ordinary Resolution” and “Special Resolution” shall have the meanings assigned thereto by Section 189 of the Act.</p> <p>“Year” means the calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(17) of the Act.</p> <p>The marginal notes used in these Articles shall not affect the construction hereof.</p> <p>Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context bear the same meaning in these Articles.</p> <p style="text-align: center;"><b>CAPITAL</b></p> <p>3. The Authorised Share Capital of the Company is Rs.5155,00,00,000/<sup>1</sup> &amp; <sup>2</sup> (Rupees Five Thousand One Hundred and Fifty Five Crores only) divided into 2540,00,00,000 Equity</p>	<p><i>“Member”</i></p> <p><i>“Meeting” or “General Meeting”</i></p> <p><i>“Annual General Meeting”</i></p> <p><i>“Extraordinary General Meeting”</i></p> <p><i>“Month”</i></p> <p><i>“Office”</i></p> <p><i>“Paid-up”</i></p> <p><i>“Persons”</i></p> <p><i>“Register of Members”</i></p> <p><i>“The Registrar”</i></p> <p><i>“Secretary”</i></p> <p><i>“Seal”</i></p> <p><i>“Share”</i></p> <p><i>“Singular number”</i></p> <p><i>“Ordinary Resolution” &amp; “Special Resolution”</i></p> <p><i>“Year” and “Financial Year”</i></p>
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<sup>1</sup> The Authorised Share Capital of the Company is increased pursuant to the Composite Scheme of Arrangement amongst Piramal Enterprises Limited, Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited, PHL Fininvest Private Limited and their respective shareholders and creditors, which was approved by the National Company Law Tribunal, Mumbai Bench vide its Order dated 12th August, 2022.

<sup>2</sup> The Authorised Capital of the Company is increased pursuant to Scheme of Amalgamation of Piramal Phytocare Limited with Piramal Enterprises Limited and their respective shareholders, which was approved by the National Company Law Tribunal, Mumbai Bench vide its Order dated 4th November, 2019.

<p>Shares of Rs.2/- each and 30,00,000 Preference Shares of Rs.100/- each, 2,40,00,000 Preference shares of Rs.10/- each and 10,50,00,000 Unclassified shares of Rs.2/- each.</p>	
<p>(Note: As altered by Special Resolution dated 17th December, 2004 passed by means of Postal Ballot for sub-division of each of the Equity and Unclassified Shares in the Share Capital of the Company from face value of Rs.10/- each to 5 Shares of face value of Rs.2/- each.)</p>	
<p>4. The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a right of dividend and in the distribution of assets of the Company and with a right of voting at General Meetings, of the Company in conformity with Sections 87 and 88 of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act. The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.</p> <p>(Amended by a special resolution passed at the A.G.M. held on 14th October, 1997)</p>	<p><i>“Power to alter capital”</i></p>
<p>5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.</p>	<p><i>“New capital same as existing capital”</i></p>
<p>6. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.</p>	<p><i>Redeemable Preference Shares</i></p>
<p>7. On the issue of Redeemable Preference Shares under the provisions of Article 7 hereof the following provisions shall take effect:</p> <p>a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>b) no such shares shall be redeemed unless they are fully paid;</p> <p>c) the premium, if any payable or redemption must have been provided for out of the profits of the Company or the Company’s Shares Premium Account before the shares are redeemed;</p> <p>d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called the “Capital Redemption Reserve Account” a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the shares capital of the Company shall, except as provided in Section 80 of the act, apply as if the Capital Redemption Reserve Account were paid - up share capital of the Company.</p>	<p><i>Provisions to apply on issue of Redeemable Preference Shares</i></p>
<p>8. The Company may (subject to the provisions of Section 78,80, 100 to 105 inclusive of the Act) from time to time by special Resolution, reduce its capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being</p>	<p><i>Reduction of Capital</i></p>

<p>authorised by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.</p>	
<p>9. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may, from time to time sub – divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.</p>	<p><i>Sub-division, consolidation and cancellation of shares</i></p>
<p>10. Whenever the capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of the class, provided such agreement is ratified in writing by holders of at least three – fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class.</p>	<p><i>Modification of rights</i></p>
<p><b>SHARES AND CERTIFICATES</b></p>	
<p>11. The Company shall cause to be kept a Register and Index of members in accordance with the all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law, including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members resident in that State or Country.</p> <p>(Substituted by a special resolution passed at the A.G.M. held on 14th October, 1997)</p>	<p><i>Register and Index of Members</i></p>
<p>12. The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner herein before mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.</p> <p>(Substituted by a special resolution passed at the A.G.M. held on 14th October, 1997)</p>	<p><i>Share to be numbered progressively and no share to be subdivided</i></p>
<p>13. a) Where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the Equity shares of Company, in proportion, as nearly as circumstances admit, to the capital paid - up on these shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will deemed to have been declined. After the expiry of the time specified in notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.</p> <p>b) Notwithstanding anything contained in the preceding sub-clauses, the Company may :-</p> <p>i) by a Special Resolution; or</p> <p>ii) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting</p>	<p><i>Further issue of capital</i></p>

<p>(including the casting vote, if any of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p> <p>Offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the Equity Shares of the company.</p> <p>c) Nothing in clauses (a) and (b) of this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares in the Company provided that the terms of the issue of such debentures or the terms of such loans include a term providing for such option and such terms either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf and in the case of debentures or loans other than those debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf has also been approved by a Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans.</p>	
<p>14. Subject to the provisions of these Articles and of the Act, the shares (Including any shares forming part of any increased capital of the Company) shall be under the control of the Directors; who may allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (Subject to provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filled the returns as to allotment provided for in Section 75 of the Act.</p>	<p><i>Shares under control of Directors</i></p>
<p>15. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 14 and 15 hereof, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (Whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether members or not) in such proportion and on such terms and conditions and either (Subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, as such general meeting shall determine and with full power to give any person (whether a members or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of section 78 and 79 of the Act) at the premium or at par or at a discount, such option being exercisable at such time and for such times and for such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.</p>	<p><i>Power also to Company in General Meeting to issue shares</i></p>
<p>16. Any Application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of the these Articles, be a member.</p>	<p><i>Acceptance of shares</i></p>
<p>17. The money, if any, which the Board shall, on the allotment of any shares being made by them, require of direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of the Members as the name of the holder of such shares, become a debt due to and recoverable by the company from the allottee thereof, and shall be paid by him accordingly.</p>	<p><i>Deposit and call etc. to be a debt payable immediately</i></p>

18.	Every member, or his heirs, executors or administrators, shall pay the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times and on such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.	<i>Liability of Members</i>
19.	<p>(a) Every member or allottee or shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon, provided, however, no share certificate (s) shall be issued for shares held in a Depository. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the Seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and the Secretary or some other person appointed by the Board for the purpose, and two directors or their attorneys and the Secretary or other person shall sign the share certificate provided that if the composition of the Board permits of it at least one of the aforesaid two Directors shall be a person other than a Managing or whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.</p> <p>(Amended by a special resolution passed at the A.G.M. held on 14th October, 1997)</p> <p>(b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a change not exceeding Re.1. The Company shall comply with the provisions of Section 113 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	<i>Share certificates</i>
20.	<p>(a) No Certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, old decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised the certificate in lieu of which it is issued is surrendered to the Company. The Company shall be entitled to charge such fee not exceeding Rs. 2 per certificate issued on splitting or consolidation of shares certificates or any replacement of the share certificate that are defaced or torn as the Board thinks fit. Provided that the no fee shall be charged for sub-division or consolidation of shares into lot of the market unit of trading or for issue of share certificates in replacement of those that are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.</p> <p>(b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. .... Sub-divided / replaced/on consolidation of shares".</p> <p>(c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out - of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.</p>	<i>Renewal of share certificates</i>

	<p>(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “duplicate issued in lieu of share certificate No._____”. The word “Duplicate” shall be stamped or punched in bold letters across the face of the share certificate.</p> <p>(e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate indicating against the names of the persons to whom the certificate is issued the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the “Remarks” column.</p> <p>(f) All blank forms to be issued for issued of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the board . The blank forms shall be consecutively machine - numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.</p> <p>(g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificate referred to in clause (f) of this Articles.</p> <p>(h) All books referred to in clause (g) of this Articles shall be preserved in good order permanently.</p>	
21.	<p>If any share stands in the names of two or more persons the person first named in the Register shall as regards receipts of dividends or bonus or service or notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the share be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company’s regulations.</p>	<p><i>The first named of joint-holders deemed sole holder</i></p>
22.	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons of the survivor or survivors of them.</p>	<p><i>Company not bound to recognise any interest in share other than that of registered holder</i></p>
	<p>(Substituted by a special resolution passed at the A.G.M. held on 14th October, 1997)</p>	
23.	<p>(a) Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the company as the holder of a share in the Company, but who does not hold the beneficial interest in such share, shall, if so required by the Act, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in the manner provided in the Act.</p> <p>(b) A person who holds a beneficial interest in a share or a class of shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares</p>	<p><i>Declaration by person not holding beneficial interest in any shares</i></p>



<p>stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.</p> <p>(c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.</p> <p>(d) Notwithstanding anything contained in the Act and Article 23 hereof, where any declaration referred to above is made to the Company, the company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a Return in the prescribed form with the Registrar with regard to such declaration.</p> <p>24. (a) The Company shall have the power, subject to and in accordance with all other applicable provisions of the Act to purchase any of its own shares whether or not they are redeemable, at such rate (s) and on such terms and conditions as the Board may deem fit and appropriate and make the payment for such purchase (s) and to keep them alive and / or reissue from time to time such numbers (s) of shares so purchased at such rate (s) and on such terms and conditions as the Board may deem fit and appropriate.</p> <p>(b) Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of, or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company. (Substituted by a special resolution passed at the A.G.M. held on 14th October, 1997)</p>	<p><i>Funds of Company may not be applied in purchase of shares of the Company</i></p>
<p><b>UNDERWRITING AND BROKERAGE</b></p>	
<p>25. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (Whether absolutely or conditionally) for any shares or debentures in the Company or procuring, or agreed to procure subscriptions (whether absolute or conditional) for any shares or debentures in the company, but so that the commission shall not exceed in the case of shares 5 per cent of the price at which the shares are issued and in the case of debentures 2½ per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.</p>	<p><i>Commission may be paid</i></p>
<p>26. The Company may pay a reasonable sum for brokerage.</p>	<p><i>Brokerage</i></p>
<p><b>INTEREST OUT OF CAPITAL</b></p>	
<p>27. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant, Which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may change the same to capital as part of the cost of construction of the work or building, or the provision of plant.</p>	<p><i>Interest may be paid out of capital</i></p>
<p><b>CALLS</b></p>	
<p>28. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotments, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks for upon the members in respect of all monies unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.</p>	<p><i>Directors may make calls</i></p>

29.	Fifteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<i>Notice of calls</i>
30.	A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.	<i>Calls of date from resolution</i>
31.	A call may be revoked or postponed at the discretion of the Board.	<i>Call may be revoked or postponed</i>
32.	The joint-holders of a shall be jointly and severally liable to pay all calls in respect thereof.	<i>Liability of joint holders</i>
33.	The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.	<i>Directors may extend time</i>
34.	If any member fails to pay any call due from him on the day appointed for payment therefore, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<i>Calls of carry interest</i>
35.	Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeitures or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	<i>Deemed to be calls</i>
36.	On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<i>Proof on trial of suit for money due on shares</i>
37.	Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.	<i>Partial payment not to preclude forfeiture</i>
38.	(a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the monies so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the member three months' notice in writing. Provided that monies paid in the advance of calls on any shares may carry interest, but shall not confer right to dividend or to participate in profits.	<i>Payment in anticipation of calls may carry interest</i>

<p>(b) No member paying any such sum in advance shall be entitled to voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable.</p>	
<p><b>LIEN</b></p>	
<p>39. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all monies (whether presently payable or not) called or payable at fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Articles 22 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.</p>	<p><i>Company to have lien on shares</i></p>
<p>40. For the purpose of enforcing such lien, The Board may sell the shares subject thereto in such manner as they think, fit, and for that purpose may cause to be issued a duplicate certificate in respect of such share and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him on them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.</p>	<p><i>As to enforcing lien by sale</i></p>
<p>41. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, If any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.</p>	<p><i>Application of proceeds of sale</i></p>
<p><b>FORFEITURE OF SHARES</b></p>	
<p>42. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.</p>	<p><i>If money payable on shares not paid notice to be given to member</i></p>
<p>43. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, In the event of the non-payment at or before the time and at the place appointed, The shares in respect of which the call was made or installment is payable, will be liable to be forfeited.</p>	<p><i>Form of notice</i></p>
<p>44. If the requirements of any such notice as aforesaid shall not be complied with every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the board to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited share and not actually paid before the forfeiture.</p>	<p><i>In defaults of payment shares to be forfeited</i></p>
<p>45. When any share shall have been so forfeited notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and any entry of the forfeiture, with the date thereof shall forthwith be made in the Register or Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.</p>	<p><i>Notice of forfeiture to a member</i></p>
<p>46. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, reallocated or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.</p>	<p><i>Forfeited share to be property of the</i></p>

<p>47. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereof from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.</p>	<p><i>Company and may be sold etc.</i></p> <p><i>Member still liable to pay money owing at time of for failure and interest.</i></p>
<p>48. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claim and demands against the Company, In respect of the share and all other rights incidental to the shares, except only such of those rights by these Articles are expressly saved.</p>	<p><i>Effect of forfeiture</i></p>
<p>49. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in a accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.</p>	<p><i>Evidence of forfeiture</i></p>
<p>50. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of Transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be damages only and against the Company exclusively.</p>	<p><i>Validity of sale under Articles 40 and 46</i></p>
<p>51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or person entitled thereto.</p>	<p><i>Cancellation of share certificates in respect forfeited of shares</i></p>
<p>52. The board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annual forfeiture thereof upon such conditions as it thinks fit.</p>	<p><i>Power to annual forfeiture</i></p>
<p><b>TRANSFER AND TRANSMISSION OF SHARES</b></p>	
<p>53. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share whether or not held in material form.</p> <p>(Substituted by a special resolution passed at the A.G.M. held on 14th October. 1997)</p>	<p><i>Register of Transfers</i></p>
<p>54. Shares in the Company may be transferred by an instrument in writing in the usual common form or in such other form as shall from time to time be approved by the Directors provided that if so required by the provisions of the Act, Such instrument of Transfer shall be in the form prescribed and shall be duly stamped and delivered to the Company within the prescribed period.</p> <p>(a) Nothing contained in the foregoing Article shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository. (inserted by a special resolution passed at the A.G.M. held on 14th October, 1997)</p>	<p><i>Form of transfer</i></p>
<p>55. The instrument of Transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares and every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of members in respect</p>	<p><i>Transfer form to be completed and presented to the company.</i></p>

<p>thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.</p> <p>(a) In case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in electronic and fungible form, the provisions of the Depositories Act, shall apply.</p> <p>(Inserted by a special resolution passed at the A.G.M. held on 14th October, 1997)</p>	
<p>56. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer Books, the Register of Members of Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.</p>	<p><i>Transfer Books account Register of Members when closed</i></p>
<p>57. Subject to the provisions of Section 111 of the Act, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member), but in such cases it shall, within two months from the date on which the instrument of Transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to the register such transfer, provided that registration of transfer shall not be refused on the ground that the transferor alone or jointly with any other person or persons is indebted to the Company on any account whatsoever.</p>	<p><i>Directors may refuse to register transfer</i></p>
<p>58. Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.</p>	<p><i>Notice of application when to be given.</i></p>
<p>59. In the case of the death or anyone or more of the persons named in the Register of Members as the joint-holders of any share, the survivors or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.</p>	<p><i>Death of one or more joint-holders of shares</i></p>
<p>60. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted court in the Union of India; provided that In any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the board in its absolute discretion may think necessary and under Article 64 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.</p>	<p><i>Title of shares of deceased member</i></p>
<p>61. No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.</p>	<p><i>No transfer to minor etc.</i></p>
<p>62. If any member of the Company dies, and the company through any of its principal officers within the meaning of the Estate Duty Act, 1953, has knowledge of the death, it shall not be lawful for the Company to register, the transfer of any shares standing in the name of the deceased member unless the Company is satisfied that the transferee has acquired such shares for valuable consideration or there is produced to it a certificate from the Controller, Deputy controller, or Assistant Controller of Estate Duty that either the Estate Duty in respect thereof has been paid or will be paid or none is due as the case may be. Where the Company has come to know through any of its principal officers of the death of any member, the Company shall, within three months of the receipt of such knowledge, furnish to the Controller, Deputy Controller or Assistant Controller of Estate Duty who</p>	<p><i>Compliance with the Estate Duty Act, 1953</i></p>

<p>is exercising the function of the Income-tax Officer under the Income-tax Act in relation to the Company, Such particulars as may be prescribed by the Estate Duty Rules, 1953.</p>	
<p>63. Subject to the provisions of the Act and Articles 59 and 60 any person becoming entitled to shares in consequences of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect have his nominee registered, he shall testify the election by executing in favour of his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of Transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.</p>	<p><i>Registration of persons entitled to shares otherwise than by transfer</i></p>
<p>64. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided by entitled to receive, and may be given a discharge for any dividends or other monies payable in respect of the share.</p>	<p><i>Persons entitled may receive dividend without being registered as member</i></p>
<p>65. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such sum as the Board may require. The Board may however, in its absolute discretion wholly or partly waive payment of the fee aforesaid generally or in specific case or case as it may deem fit.</p>	<p><i>Fee on transfer or transmission</i></p>
<p>66. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such equitable right title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book or the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever, for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.</p>	<p><i>Company not liable for disregard of a notice prohibiting registration of a transfer</i></p>
<p><b>COPIES OF MEMORANDUM &amp; ARTICLES TO BE SENT TO MEMBERS</b></p>	
<p>67. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Re.1 for each copy</p>	<p><i>Copies of Memorandum and Articles of Association to be sent by the Company</i></p>
<p><b>BORROWING POWERS</b></p>	
<p>68. Subject to the provision of Sections 292 and 293 of the Act, the Directors may from time to time at their discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally borrow or raise for the purpose of the Company or secure the payment of such sums as they think fit and may secure the repayment or payment of any such sums by mortgage or charge upon all or any of the property or assets of the Company or by the issue of debentures (whether at par or at a discount or premium) or otherwise as they may think fit, provided that the monies so borrowed or raised together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will not exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.</p>	<p><i>Power to borrow</i></p>

69.	Subject to the provisions of Articles 68 hereof, the payment or repayment of monies borrowed as aforesaid may be secured in such manner as upon such terms and conditions in all respects as the Special Resolution shall prescribe including by the issue of debentures or debentures-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being; and debentures, debentures-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.	<i>Payment or repayment of monies borrowed</i>
70.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General meeting accorded by a Special Resolution.	<i>Terms of issue of debentures</i>
71.	The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Sections 118, 125 and 127 to 144 (both inclusive) of all Act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.	<i>Register of Mortgages to be kept</i>
72.	The Company shall, if at any time it issues debentures, keep a Register and index of Debenture-holders in accordance with Section 152 of the Act.	<i>Register of Index of Debenture holders</i>
	The Company shall have the power to keep in any State or country outside India a Branch Register of Debenture-holders resident in that State or country.	
	<b>CONVERSION OF SHARES INTO STOCK AND RECONVERSION</b>	
73.	The Company in General meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred, If no such conversion has taken place, or as near thereto as circumstances will admit. The Company may at any time convert any stock into paid-up shares of any denomination.	<i>Shares may be converted into stock</i>
74.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets at winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<i>Rights of stock holders</i>
	<b>MEETINGS OF MEMBERS</b>	
75.	The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General meetings. The Annual General meetings shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the Office of the Company is situate as the Board may determine and the Notices calling the meeting shall specify it as the Annual General meeting. The Company may subject to Section 166(2) (b) of the Act in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which	<i>Annual General Meeting-Annual Summary</i>

	<p>he attends on any part of the business which concerns him as Auditors. At every Annual General meeting of the Company there shall be laid on the table the Directors' Report and Audited statement of Accounts), Auditors report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act,</p>	
76.	<p>The board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.</p>	<p><i>Extraordinary General Meeting</i></p>
77.	<p>Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.</p>	<p><i>Requisition of members to state object of meeting</i></p>
78.	<p>Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty- one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from, the date of the delivery of the requisition as aforesaid.</p>	<p><i>On receipt of requisition Directors to call meeting and in default requisitionists may do so.</i></p>
79.	<p>Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.</p>	<p><i>Meeting called by requisitionists</i></p>
80.	<p>Twenty-one days notice at the least of every General meeting, Annual or Extraordinary, and by whomsoever called specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in case of any other meeting, with the consent of members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting if any business other than (a) the consideration of the Accounts Balance Sheets and Reports of the Board of Directors and Auditors, (b) the declaration of dividend (c) the appointment of Directors in place of those retiring. (d) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other meeting in any event there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director and the Manager (if any). Where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company of every Director, and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any document by the meeting by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>	<p><i>Twenty-one days notice of meeting to be given.</i></p>
81.	<p>The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.</p>	<p><i>Omission to give notice not to invalidate a resolution passed</i></p>



82.	No General Meeting, Annual or Extraordinary, shall be competent to enter upon discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.	<i>Meeting not to transact business not mentioned in notice</i>
83.	Five members present in person shall be a quorum for a General Meeting. No business shall be transacted at any General Meetings unless the requisite quorum shall be present.	<i>Quorum at General Meeting</i>
84.	A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.	<i>Body corporate deemed to be personally present</i>
85.	If, at any expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place in the city or town in which the office of the Company is for the time being situate as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.	<i>If quorum not present meeting to be dissolved or adjourned</i>
86.	The Chairman or in his absence the Vice-Chairman, if any, of the Board of Directors shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman or Vice- Chairman of the Board of Directors, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the Chair then the members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of their number to be Chairman.	<i>Chairman of General Meeting</i>
87.	No business shall be discussed at any General meeting except the election of a Chairman, whilst the Chair is vacant.	<i>Business confined to election of Chairman whilst Chair Vacant</i>
88.	The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city or town in which the Office of the Company is for the time being situate, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	<i>Chairman with consent may adjourn meeting</i>
89.	<p>At any General meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the results of the voting on show of hands a poll may be ordered to be taken by the Chairman of the meeting on his own motion or shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by a proxy and holding shares in the Company:</p> <p>(i) which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution; or</p> <p>(ii) on which an aggregate sum of not less than Rs.50,000 has been paid-up.</p> <p>Unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried or carried unanimously, or by a particular majority or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.</p>	<i>Questions at General Meeting how decided</i>
90.	In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll, if any, have a casting vote in addition to the vote or votes to which he may be entitled as a member.	<i>Chairman's casting vote</i>

91.	If a poll is demanded as aforesaid the same shall subject to article 90 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.	<i>Poll to be taken if demanded</i>
92.	Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.	<i>Scrutineers at poll</i>
93.	Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.	<i>In what case poll taken without adjournment</i>
94.	The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question which the poll has been demanded.	<i>Demand for poll not to prevent transaction of other business</i>
<b>VOTES OF MEMBERS</b>		
95.	No member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares (registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.	<i>Members in arrears not be vote</i>
96.	Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Articles shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up Equity share capital of the Company. Provided, however, if any Preference Shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of section 87 of the Act, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his Preference Shares.	<i>Number of votes to which member entitled</i>
97.	On a poll taken at meeting of the Company a member entitled to more than one vote, or his proxy or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<i>Casting of votes by a member entitled to more than one vote</i>
98.	A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians, or any one of his guardians. If more than one to be selected in case of dispute by the Chairman of the meeting.	<i>How members non compos mentis and neinor may vote</i>
99.	If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint-holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other of the joint holders shall be entitled to be present at the meeting. Several	<i>Votes of join members</i>

	executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.	
100.	Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.	<i>Voting in person or by proxy</i>
101.	Any person entitled under Articles 63 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity, if any, as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	<i>Votes in respect of shares of deceased and in solvent member</i>
102.	Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.	<i>Appointment of proxy</i>
103.	An Instrument of Proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.	<i>Proxy either for specified meeting or for a period</i>
104.	A member present by proxy shall be entitled to vote only on a poll.	<i>Proxy to vote only on poll</i>
105.	The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of Proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months form the date of its execution.	<i>Demand of Instrument of Appointment</i>
106.	Every instrument of Proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.	<i>Form of Proxy</i>
107.	A vote given in accordance with the terms of an instrument of Proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.	<i>Validity of votes given by proxy notwithstanding death of member</i>
108.	No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.	<i>Time for objections of votes</i>
109.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	<i>Chairman of the meeting to be the judge of validity of any vote</i>
110.	(a) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.	<i>Minutes of General Meeting and Inspection thereof by members</i>

- (b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meeting.
- (f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (g) Any such minutes shall be evidence of the proceedings recorded therein.
- (h) The book containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

**DIRECTORS**

111. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors) shall not be less than three nor more than twenty.

*Number of Directors*

(Amended by a special resolution passed at the A.G.M. held on 14th October, 1997)

112. Whenever Directors enter into a contract with any government (Central, State or Local), any bank or financial institution or any persons or Persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provision of Section 255 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under this Articles shall be entitled to exercise and enjoy all or any of the right and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and traveling expenses to such Directors or Directors as may be agreed by the Company with the appointer.

*Power to appoint ex-officio Directors*

113. It is provided by the Trust Deed, securing or otherwise, in connection with any issue of debenture of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercises such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as “the Debenture Directors” A Debenture Director may be removed from office at any time by the persons or persons in whom for the time being is vested the power under which he

*Debenture Directors*

<p>was appointed and another Directors may be appointed in his place. A Debenture Director shall not be required to hold any qualification shares.</p>	
<p>114. The board may appoint an Alternate Director to act for a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from the State in which the meeting of the Board are ordinarily held. An Alternate Directors appointed under this Article shall not hold office for a period longer than permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the state. If the term of office of the Original Director is determined before he so returns to that state, any provisions in the Act or in these Articles for the automatic re- appointment of a retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.</p>	<p><i>Appointment of Alternate Directors</i></p>
<p>115. Subject to the provisions of Sections 260 and 264 of the Act the Board shall have power at any time and from time to time to appoint any other qualified persons to be an additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 111. Any such additional Director shall hold office up to the date of the next Annual General Meeting.</p>	<p><i>Appointment of Additional directors</i></p>
<p>116. Subject to the provisions of Sections 262 and 264 of the Act the board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.</p>	<p><i>Directors power to fill casual vacancies</i></p>
<p>117. A Director shall not be required to hold any share qualification.</p>	<p><i>Qualification of Directors</i></p>
<p>118. a) Subject to the provisions of the Act and the regulations made thereunder, a Managing Directors or a Director, who is in the whole time employment of the Company, may be paid remuneration either by way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.</p> <p>b) Subject to the provisions of the Act, a Director, who is neither in the whole time employment nor a Managing Directors of the Company may be paid a remuneration either :</p> <p>i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or</p> <p>ii) by way of commission if the Company by a Special Resolution authorised such payment.</p> <p>c) The fees payable to a directors for attending a meeting of the Board or Committee thereof shall be Rs. 500 or such other sum as the Company in a general meeting may from time to time determine in accordance with the Companies Act and / or regulations made thereunder.</p>	<p><i>Remuneration of Directors</i></p>
<p>119. The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting such sum as the Board may consider fair compensation or for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company’s business, he shall be entitled to be re-paid and reimbursed any travelling or other expenses incurred in connection with business of the Company.</p>	<p><i>Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company’s business</i></p>
<p>120. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by Article 111 hereof the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.</p>	<p><i>Directors may act notwithstanding any vacancy</i></p>

<p>121. Subject of Section 283 (2) and 314 of the Act office of a Director shall become vacant if:</p> <ul style="list-style-type: none"> <li>(a) he is found to be of unsound mind by a Court of competent jurisdiction; or</li> <li>(b) he applies to be adjudicated an insolvent; or</li> <li>(c) he is adjudged an insolvent or</li> <li>(d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or</li> <li>(e) he absents himself from three consecutive meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or</li> <li>(f) he becomes disqualified by an order of the Court under Section 203 of the Act; or</li> <li>(g) he is removed in pursuance of Section 284 of the Act; or</li> <li>(h) he whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or</li> <li>(i) he acts in contravention of Section 299 of the Act; or</li> <li>(j) he is convicted by a Court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or</li> <li>(k) having been appointed a Director by virtue of his holding any office or other employment in the Company he ceases to hold such office or other employment in the Company; or</li> <li>(l) he resigns his office by a notice in writing addressed to the Company.</li> </ul>	<p><i>When office of Directors to become vacant</i></p>
<p>122. (a) A Director or his relative, firm in which such director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or directors may enter into any contract with the Company for the sale, purchase or supply of any goods, materials, or service or for underwriting the subscription of any shares in, or debentures of the Company, provided that if the paid-up share capital of the Company is not less than Rs. One Crore, no such contract shall be entered into except with the previous approval of Government of India, And the sanction of the Board shall be obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.</p> <p>(b) No sanction shall, however, be necessary for :</p> <ul style="list-style-type: none"> <li>(i) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</li> <li>(ii) any contract or contracts between the Company or one side and any such director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm partner or private company as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services</li> </ul>	<p><i>Director may contract with Company</i></p>

<p>does not exceeds Rs. 5000 in the aggregate in any year comprised in the period of the contract or contracts.</p> <p>Provided that in circumstances or urgent necessity, a Director, relative, firm partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost or such services exceeds Rs. 5000 in the aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.</p>	
<p>123. A Director of the Company who is in any way, Whether directly or Indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in any such other company.</p>	<p><i>Disclosure of interest</i></p>
<p>124. A General Notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such General Notice shall expire at the end of the financial year in which it is given but maybe renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such General Notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.</p>	<p><i>General Notice of interest</i></p>
<p>125. No Director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his shall be void; provided however, that nothing herein contained shall apply to :</p> <p>(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</p> <p>(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Directors consists solely;</p> <p>i) in his being</p> <p>a) a director of such company, and</p> <p>b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Company, or</p> <p>ii) in his being a member holding not more than two per cent of its paid-up share capital</p>	<p><i>Interested Directors not to participate or vote in Board's proceedings</i></p>

126.	The Company shall keep a Register in accordance with Section 301 (1) of the Act and shall within the time specified in Section 301 (2) of the Act enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under Article 124. The Register shall be kept at the Office of the Company and shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.	<i>Register of Contracts in which Directors are interested</i>
127.	A Director may be or become a director of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as directors or shareholder of such company except in so far as Section 309 (6) or Section 314 of the Act may be applicable.	<i>Directors may be directors of companies promoted by the Company</i>
128.	At every Annual General Meeting of the Company, one - third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one - third shall retire from office. The Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.	<i>Retirement and rotation of Directors</i>
129.	Subject to section 256 (2) of the Act the Directors to retire by rotation under Article 128. at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall in default of and subject to any agreement among themselves, be determine by lot.	<i>Ascertainment of Directors retiring by rotation and filling of vacancies</i>
130.	A retiring Director shall be eligible for re - election and shall act as a Director throughout the meeting at which he retires.	<i>Eligibility for re-election</i>
131.	Subject to Section 255 of the Act Company at the General Meeting at which a Director retire in manner aforesaid may fill up the vacated office by electing a person thereto.	<i>Company to appoint successors</i>
132.	<p>a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :</p> <p>i) at that meeting or at the previous meeting resolution for the reappointment of such Director has been put to the meeting and lost;</p> <p>ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;</p> <p>iii) he is not qualified or is disqualified for appointment;</p> <p>iv) a resolution, whether special or ordinary, is required for the appointment or re- appointment virtue of any provisions of the Act; or</p> <p>v) the proviso to sub - section (2) of Section 263 of the Act is applicable to the cases.</p>	<i>Provision in default of appointment</i>



133.	Subject to Section 259 of the Act the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.	<i>Company may increase or reduce the number of Directors</i>
134.	<p>(a) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be to such member, if the person succeeds in getting elected as a Director.</p> <p>(b) Every person (other than a Director retiring by rotation or otherwise of a person who has left at the Office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director if appointed.</p> <p>(c) A person other than a Director re-appointed after retirement by rotation immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a causal vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as a Director or re-appointed as an Additional or Alternated Director, immediately on the expiry of his term of office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.</p>	<i>Notice of candidate for office of Director except on certain cases.</i>
135.	<p>(a) The Company shall keep at its Office a Register containing the particulars of its Directors, Managers, Secretaries, and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.</p> <p>(b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.</p>	<i>Register of Directors etc and notification of change to Registrar</i>  <i>Register of shares or debentures held by Directors</i>
136.	<p>(a) Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager, or Secretary of the Company shall within twenty-one days of his appointment to any of the above offices in any other body corporate, disclose to the company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.</p> <p>(b) Every Director and every persons deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.</p>	<i>Disclosure by a Director of his holdings of shares and debentures of the company etc.</i>  <i>Disclosure by Directors of appointment to any other body corporate</i>
<b>MANAGING DIRECTOR</b>		
137.	Subject to provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its number as Managing Director of Managing Director of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and subject to the provision of Article 140 the Board may be resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a managing Director may be by way	<i>Board may appoint Managing Director or Managing Directors</i>

	of monthly payment fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.	
138.	<p>The Managing Director of Managing Directors shall not exercise the powers to</p> <p>(a) make calls on shareholders in respect of money unpaid on the shares in the Company.</p> <p>(b) issue debentures.</p> <p>and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the powers to :</p> <p>(c) Borrow monies, otherwise than no debentures;</p> <p>(d) Invest the funds of the Company; and</p> <p>(e) make loans.</p>	<i>Restriction at Management</i>
139.	<p>The Company shall not appoint or employ, or continue the appointment or employment of, a person as its Managing or whole-time Director who:</p> <p>(a) is an undischarged insolvent, or has any time been adjudged an insolvent;</p> <p>(b) suspends, or has at any time suspended, payment to his creditors, or makes, or has at any time made, a composition with them; or</p> <p>(c) is, or has at any time been, convicted by a Court of an offence involving moral turpitude.</p>	<i>Certain persons not to be appointed Managing Directors</i>
140.	<p>A Managing Director shall not while he continues to hold that office be subject to retirement by rotation, in accordance with Articles 128 if he ceased to hold the office of Director he shall ipso and immediately cease to be a Managing Director.</p> <p style="text-align: center;"><b>PROCEEDINGS OF THE BOARD OF DIRECTORS</b></p>	<i>Special position of Managing Director</i>
141.	<p>The Directors may meet together as a Board for the despatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.</p>	<i>Meeting of Directors</i>
142.	<p>Notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.</p>	<i>Notice of Meetings</i>
143.	<p>Subject of Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one- third being rounded off as one) or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.</p>	<i>Quorum</i>
144.	<p>If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other date and time, if any, as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.</p>	<i>Adjournment of meeting for want of quorum</i>
145.	<p>The Secretary shall, as and when directed by Directors to do so convene a meeting of the Board by giving a notice in writing to every other Director.</p>	<i>When meeting to be convened</i>
146.	<p>The Directors may from time to time elect from among their number a Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for</p>	<i>Chairman</i>

	holding the same, the Directors present may chose one of their member to be Chairman of the meeting.	
147.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of the votes and in the case of an equality of votes, the Chairman shall have a second or casting vote.	<i>Questions at Board Meetings how decided</i>
148.	A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.	<i>Power of Board Meeting</i>
149.	Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to Committees of the Board consisting of such number or numbers of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<i>Directors may appoint Committee</i>
150.	The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<i>Meeting of Committee how to be governed</i>
151.	No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the Members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board of Committee, as the case may be), and to all other Directors or Members of the Committee, at their usual address in India and has been approved by such of the Directors or Members of he Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.	<i>Resolution by circulation</i>
152.	All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.	<i>Acts of Board or Committee not valid notwithstanding informal appointment</i>
153.	(a) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.	<i>Minutes of proceedings of meetings of the Board</i>
	(b) Each page of every such book shall be initialed or singed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.	
	(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.	
	(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.	

<p>(e) All appointments of Officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>(f) The minutes shall also contain :</p> <p>(i) the names of the Directors present at the Meeting; and</p> <p>(ii) in the case of each resolution passed at the Meeting, the names of the Directors, if any dissenting from, or not concurring in the resolution.</p> <p>(g) Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion if any such minutes of any matter which, in the opinion of the chairman of the meeting :</p> <p>i) is, or could reasonable be regarded and defamatory of any person;</p> <p>ii) is irrelevant or immaterial to the proceedings; or</p> <p>iii) Is detrimental to the interests of the Company.</p> <p>The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.</p> <p>(h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.</p>	
<p>154. The Board may exercise all such power of the Company and do all such acts and things as are not, by the Act, or any other act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting subject nevertheless to these articles, to the provisions of the Act, or any other act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General meeting but no regulation made by the Company in General meeting shall invalidate any prior act or the Board which would have been valid if that regulation had not been made, Provided that the Board shall not, except with the consent of the Company in General Meeting:</p> <p>(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>(b) remit, or give time for the repayment of any debt due by a Director;</p> <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</p> <p>(d) borrow monies where the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed Rs.50,000 or five per cent of its average net profit as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.</p>	<p><i>Power of Directors</i></p>

<p>155. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say power:</p> <p>(a) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;</p> <p>(b) to pay and charge to the capital account of the company any commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act;</p> <p>(c) Subject to Sections 292, 297 and 360 of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>(d) at their discretion and subject to the provisions of the act to pay for any property, rights or privileges acquired by or services rendered to the company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the company and its uncalled capital or not so charged;</p> <p>(e) to secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;</p> <p>(f) to accept from any member as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;</p> <p>(g) to appoint any persons to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;</p> <p>(h) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the company and to refer any differences to arbitration and observe and perform any awards made thereon;</p> <p>(i) to act on behalf of the company in all matters relating to bankrupts and insolvents;</p> <p>(j) to make and give receipts, releases and other discharges for monies payable to the company and for the claims and demands of the company;</p> <p>(k) subject to the provisions of Sections 292, 295, 369, 370 and 372 of the Act, to invest and deal with any monies of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments; save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;</p> <p>(l) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether</p>	<p><i>Certain powers of the Board</i></p>
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<p>as principal or surety for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgages may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;</p> <p>(m) to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptance, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;</p> <p>(n) to distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any Officer or other employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expense of the Company;</p> <p>(o) to provide for the welfare of Director or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to building of houses, dwellings or chawls, or by grants of money, pension gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute, or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;</p> <p>(p) before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund of sinking fund or any special fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as require to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof, may be matters to or upon which the capital monies of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund or to another Reserve Fund or division of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum;</p> <p>(q) to appoint, and at their discretion remove or suspend such General Manager, Managers, Secretaries, Assistants, Supervisors, Clerks, Agents and Servants for permanent, temporary or special services as they may from time to time think</p>	
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	<p>fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to such amount as they may think fit; and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;</p> <p>(r) to comply with the requirements of any local law, which in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with;</p> <p>(s) from time to time and at any time, to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Boards, and to fix their remuneration.</p> <p>(t) subject to Section 292 of the Act, from time to time, and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or make loans or borrow monies, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein; and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed and may annual or vary any such delegation.</p> <p>(u) at any time and from time to time by Power of Attorney under the Seal of the Company, to appointed any person or persons to be the Attorney to Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow monies) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any Local Board, established as aforesaid or in favour or any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or Attorneys as aforesaid to subdelegate all or any of the powers, authorities and distraction for the time being vested in them:</p> <p>(v) subject to Sections 294, 294-A, 294-AA and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;</p> <p>(w) from time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its Officers and Servants.</p>	
156.	<p>The company shall not appoint or employ at the same time more than one of the following categories of managerial personnel, namely:</p> <p>(a) Managing Director</p> <p>(b) Manager</p>	<p><i>Prohibition of simultaneous appointment of different categories of managerial personnel</i></p>

<b>THE SECRETARY</b>		
157.	The Directors may from time to time appoint, and at their discretion, remove any individual, firm or body corporate (hereinafter called “the secretary”) to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other purely ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company.	<i>Secretary</i>
<b>SEAL</b>		
158.	(a) The Board shall provide a common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.	<i>The Seal, its custody and use</i>
	(b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.	
159.	Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose, provided that in respect of a share certificate the Seal shall be affixed in accordance with Article 19(a).	<i>Seal how affixed</i>
<b>DIVIDENDS</b>		
160.	The profits of the Company Subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.	<i>Dividend of profits</i>
161.	The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.	<i>The Company in General Meeting may declare a dividend</i>
162.	Subject to the provisions of Section 205 and 205-A of the Act (if applicable) no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 and 205-A of the Act or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :	<i>Dividends only to be paid out of profits</i>
	(a) if the Company has not provided for depreciation for any previous financial year or years if shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years:	
	(b) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any financial years or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.	
	Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.	



163.	The Board may, from time to time pay to the members such interim dividend as in their judgment position of the Company justifies.	<i>Interim dividend</i>
164.	Where capital is paid in advance of calls, such capital may carry interest, but shall not in respect thereof counter a right to dividend or participate in profits.	<i>Capital paid-up in advance at interest not be earn dividend</i>
165.	All dividend shall be apportioned and paid proportionately to the amounts paid-up or credited as paid-up on the shares during which any portion or portions of the period in respect of which the dividend is paid-up; but if any share is issued on the terms providing that it shall rank for dividend as from a particular date, such share rank for dividend accordingly.	<i>Dividend in proportion to amount paid-up</i>
166.	The Board may retain the dividends payable upon shares in respect of which any person is, under Articles 64 entitled to become a member, or which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares, or shall duly transfer the same.	<i>Retention of dividends until completion of transfer under Article 84</i>
167.	Anyone of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other monies payable of such shares.	<i>Dividend etc. joint holder</i>
168.	No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the company.	<i>No member to receive dividend indebted to the Company and Company's right of reimbursement thereout</i>
169.	A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. Where any instrument of transfer has been delivered to the company for registration and the transfer of such shares has not been registered by the company it shall.  (a) transfer the dividend in relation to such shares to the special account referred to in Section 205-A of the Act unless the Company is authorised by the registered holder of such share in writing to pay such dividend to the transferee specified in such instrument of Transfer and  (b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 81 of the Act and any issue of fully paid up bonus shares in pursuance of sub-section (3) of Section 205 of the Act.	<i>Transfer of shares must be registered</i>
170.	Unless otherwise directed any dividend may be paid by cheque or warrant or by a payslip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in Register in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission, or for any dividend list to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.	<i>Dividends how remitted</i>
171.	(a) if the Company has declared a dividend but which has not been paid or claimed within 42 days or a dividend warrant in respect thereof has not been posted within 42 days from the date of declaration, to any shareholders entitled to the payment of the dividend the Company shall within 7 days from the date of the expiry of the said period of 42 days open a special account in that behalf in any scheduled bank called "The Unpaid Dividend Account of Piramal Enterprises Limited.  (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 3 years from the date of such transfer shall be transferred by the Company to the General Revenue Account	<i>Unclaimed dividend</i>

<p>of the Central Government. A claim to any money so transferred to the General Revenue Account may be preferred to the Central Government by the shareholders to whom the money is due.</p>	
<p>(c) No unclaimed dividend shall be forfeited the claim thereto becomes barred by law.</p>	
<p>172. No unpaid dividend shall bear interest as against the Company.</p>	<p><i>No interest in dividends</i></p>
<p>173. Any General meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes, but so that the call each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the member, be set off against the calls.</p>	<p><i>Dividend and call together</i></p>
<p>174. a) The Company in General Meeting may resolve that any monies, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the hands of the Company and available for divided (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture - stock of the Company which shall be distributed accordingly on in or towards payment of the uncalled liability on any issued shares or debentures or debenture- stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.</p> <p>b) A General Meeting may resolve that any surplus monies arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits to the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.</p> <p>c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any member upon the footing of the value so fixed or that fraction of less value than Rs.10 maybe disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.</p>	<p><i>Capitalisation</i></p>
<p><b>ACCOUNTS</b></p>	
<p>175. The company shall keep at the Office or at such other place in India as the Board thinks fit proper Books of Account in accordance with Section 209 of the Act with respect to :</p>	<p><i>Directors to keep true accounts</i></p>
<p>a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place:</p>	

	<p>b) all sales and purchases of goods by the Company;</p> <p>c) the assets and liabilities of the Company.</p> <p>Where the Board decides to keep all or of the Books of Account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Register a notice in writing giving the full address of that other place.</p> <p>The Company shall preserve in good order the Books of Account relating to a period of not less than eight years preceding the current year, together with the vouchers relevant to any entry in such Books of Account.</p> <p>Where the company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account, relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.</p> <p>The Books of Account shall give a true and fair view of the state of the affairs of the company or branch office, as the case may be and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any director during business hours.</p>	
176.	<p>The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company of any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorised by the Board.</p>	<p><i>As to inspection of accounts of books by members</i></p>
177.	<p>The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, profit and Loss Accounts and Reports as are required by these Sections.</p>	<p><i>Statement of Accounts to be furnished to General Meeting</i></p>
178.	<p>Subject to the provisions of Section 219 of the Act, copy of every such Profit and Loss Account and Balance-Sheet (Including the Auditor's Report and every other document required by law to be annexed or attached to the Balance sheet), shall atleast 21 days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any debentures issued by the Company, whether such member or trustee is or is not entitled to have the notices of General Meetings of the Company, sent to him, and to all persons other than such members or trustees being persons so entitled.</p>	<p><i>Copies shall be sent to each member</i></p>
<b>AUDIT</b>		
179.	<p>Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233 of the Act.</p>	<p><i>Accounts to be audited</i></p>
180.	<p>The First Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the First Annual General Meeting provided that the Company may, at a General Meeting, remove any such Auditor or all such auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination notice has been given to the members of the Company not less than fourteen days before the date of the meeting provided further that if the Board fails to exercise its powers under this Article, the Company in General meeting may appoint the First Auditor or Auditors.</p>	<p><i>First Auditor or Auditors</i></p>

<b>DOCUMENTS AND NOTICES</b>		
181.	<p>a) A document or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any in India supplied by him to the Company for serving documents or notices on him.</p> <p>b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.</p>	<i>Service of documents or notices on members by Company</i>
182.	A document or notice advertised in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has to register address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notice to him.	<i>By advertisement</i>
183.	A document or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the share.	<i>On joint-holders</i>
184.	A document of notice may be served or given by the Company or to the persons entitled to a share in consequence of the death or insolvency of a members by sending it through the post as a pre-paid letter addressed to them by name or by the title or representatives of the deceased, or assigned of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be entitled, or (until such as address has been so supplied) by serving the document of notice in any manner in which the same might have been given if the death or insolvency had not occurred.	<i>On personal representatives etc.</i>
185.	Documents or notices of every General Meeting shall be served or given in some manner herein before authorised on or to (a) every member (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) the Auditor or Auditors for the time being of the Company.	<i>To whom documents or notices must be served or given</i>
186.	Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.	<i>Members bound by documents or notices served on or given to previous holders</i>
187.	Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature there may be written, Printed or lithographed.	<i>Document or notice by Company and signature thereto</i>
188.	All document or notices to be served or given by member on or to the Company or any Officer thereof shall be served or given by sending it to the company or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the Office.	<i>Service of documents or notice by member</i>
<b>WINDING-UP</b>		
189.	The liquidator on any winding-up (whether voluntary, under supervision or compulsory) may with the sanction of a Special Resolution, but subject to the rights attached to any Preference Share Capital, divide among the contributors in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company	<i>Liquidator may divide assets in specie</i>

in trustees upon such trusts for the benefit of the contributory as the Liquidator, with the like sanction shall think fit.

**INDEMNITY AND RESPONSIBILITY**

190. Every Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in depending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the by the Court.

*Directors and others  
right of indemnity*

**SECRECY CLAUSE**

191. (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with customers and the state of the accounts with individuals and any matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so or do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

*Secrecy clause*

### SCHEDULE

Names, addresses and descriptions of subscribers	Number of shares taken by each subscriber	Witness
(Sd) Eric Abderhalden "Cambridge Court", Peddar Road, Mumbai	One	A.E. Blair Solicitor Mumbai
(Sd) A.E. Blair, Actuary 226, Hornby Road, Mumbai.	One	

Dated the 24th day of April 1947

## SECTION IX: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10:00 a.m. to 5:00 p.m. on any Working Day from the date of filing of this Draft Shelf Prospectus with the Stock Exchanges until the Issue Closing Date.

### A. *Material Contracts*

1. Issue Agreement dated August 28, 2023 executed between our Company and the Lead Managers.
2. Registrar Agreement dated August 28, 2023 executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated August 28, 2023 executed between our Company and the Debenture Trustee.
4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
5. Tripartite Agreement dated January 19, 2010 entered into between our Company, Registrar to the Issue and NSDL.
6. Tripartite Agreement dated January 15, 2010 entered into between our Company, Registrar to the Issue and CDSL.

### B. *Material Documents*

1. Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation of our Company and certificates of incorporation consequent upon change in name of our Company.
3. The certificate of registration bearing number N-13-02432 dated July 21, 2022 issued by the RBI to commence/ carry on the business of non-banking financial institution.
4. Credit rating letter dated June 27, 2023 from ICRA Limited assigning a rating [ICRA]AA (Stable) (Double A; Outlook: Stable) to the NCDs with rating rationale and press release dated July 5, 2023.
5. Credit rating letter dated August 1, 2023 from CARE Ratings Limited assigning a rating CARE AA; Stable (Double A; Outlook: Stable) to the NCDs with rating rationale dated and press release dated August 3, 2023.
6. Copy of the resolution passed at a meeting of Administrative Committee held on August 22, 2023 authorising this Issue for an amount aggregating up to ₹ 3,000 Crore.
7. Copy of the resolution passed by our Shareholders, pursuant to Section 180(1)(c) of the Companies Act, 2013, at the AGM held on August 1, 2016, approving the overall borrowing limit of our Company.
8. Copy of the resolution passed by our Shareholders, pursuant to Section 180(1)(a) of the Companies Act, 2013, at the AGM held on July 25, 2014, approving the security creation limits of our Company.
9. Copy of the composite scheme of arrangement between our Company, Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited and their respective shareholders and creditors.
10. Copy of the resolution of our Administrative Committee dated August 28, 2023 for approval of this Draft Shelf Prospectus.
11. Consents of our Directors, Lead Managers to the Issue, Chief Financial Officer, Key Managerial Personnel, Company Secretary and Compliance Officer, Debenture Trustee for the NCDs, Credit Rating Agencies for this Issue, Legal Advisor to the Issue, the Registrar to the Issue, to include their names in this Draft Shelf Prospectus in their respective capacity.
12. The consent dated August 28, 2023 from the Joint Statutory Auditors of our Company, namely M/s. Suresh Surana & Associates LLP and Bagaria & Co. LLP for inclusion of: (a) their names as the Joint Statutory Auditors and as “experts” as defined under Section 2(38) of the Companies Act, (b) audit reports on the

Audited Financial Statements FY 2023, and (c) limited review reports dated July 28, 2023, in relation to the Unaudited Financial Results.

13. The consent dated August 28, 2023 from the Previous Auditors of our Company, namely Deloitte Haskins & Sells LLP for inclusion of: (a) their names as previous statutory auditors and as “experts” as defined under Section 2(38) of the Companies Act, and (b) audit reports on the Audited Financial Statements FY 2021 and the Audited Financial Statements FY 2022.
14. Consent letter from Joint Statutory Auditors of our Company, namely M/s. Suresh Surana & Associates LLP and Bagaria & Co. LLP for inclusion of the statement of possible tax benefits available to the debenture holders in the form and context in which they appear in this Draft Shelf Prospectus.
15. Consent of CRISIL Limited dated August 24, 2023 as the agency issuing the industry report titled “*Market Intelligence and Analytics - NBFC Report*” dated April 2023.
16. Statement of possible tax benefits issued by Joint Statutory Auditors of our Company.
17. Annual reports of our Company for the financial years ended March 31, 2023, 2022 and 2021.
18. Limited review reports dated July 28, 2023 in relation to the Unaudited Financial Results.
19. Audit reports dated May 5, 2023 from the Joint Statutory Auditors of our Company in relation to the Audited Financial Statements FY 2023.
20. Audit reports dated May 26, 2022 from the Previous Auditors of our Company, namely Deloitte Haskins & Sells LLP in relation to the Audited Financial Statements FY 2022.
21. Audit reports dated June 1, 2021 from the Previous Auditors of our Company, namely Deloitte Haskins & Sells LLP in relation to the Audited Financial Statements FY 2021.
22. Due diligence certificate dated [●] filed by the Lead Managers with SEBI.
23. Due diligence certificate dated August 28, 2023 from the Debenture Trustee to the Issue.
24. In-principle approval dated [●] for the Issue issued by BSE.
25. In-principle approval dated [●] for the Issue issued by NSE.

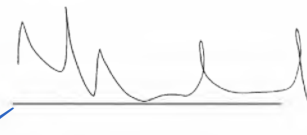
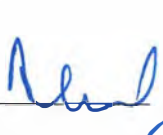


## DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue and the Company including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Draft Shelf Prospectus are true, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Draft Shelf Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Shelf Prospectus is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association.

Signed by the Directors of our Company



**Ajay G. Piramal**  
*Whole-Time Director and  
Chairman*  
DIN: 00028116

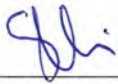
**Nandini Piramal**  
*Non-Executive, Non-  
Independent Director*  
DIN: 00286092



**Anand Piramal**  
*Non-Executive, Non-  
Independent Director*  
DIN: 00286085



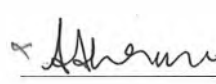
**Vijay Shah**  
*Non-Executive, Non-  
Independent Director*  
DIN: 00021276



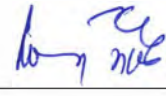
**Subramanian Ramadorai**  
*Non-Executive, Independent  
Director*  
DIN: 00000002



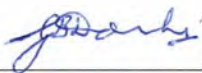
**Suhail Nathani**  
*Non-Executive, Independent  
Director*  
DIN: 01089938



**Shikha Sanjaya Sharma**  
*Non-Executive, Non-  
Independent Director*  
DIN: 00043265



**Rajiv Mehrishi**  
*Non-Executive,  
Independent Director*  
DIN: 00208189



**Gautam Bhailal Doshi**  
*Non-Executive, Independent  
Director*  
DIN: 00004612

Date: 28/08/2023  
Place: Mumbai

## DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue and the Company including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Draft Shelf Prospectus are true, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Draft Shelf Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Shelf Prospectus is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association.

### Signed by the Directors of our Company



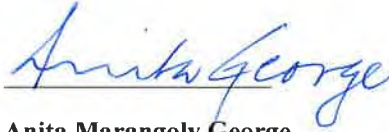
**Kunal Bahl**  
*Non-Executive Independent  
Director*

*DIN: 01761033*



**Puneet Yadu Dalmia**  
*Non-Executive Independent  
Director*

*DIN: 00022633*



**Anita Marangoly George**  
*Non-Executive  
Independent Director*

*DIN: 00441131*

**Date: 28/08/2023**

**Place: Delhi**

## DECLARATION

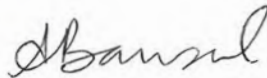
We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue and the Company including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be and other competent authorities in this respect, from time to time have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Draft Shelf Prospectus are true, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Draft Shelf Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Shelf Prospectus is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association.

**Signed by the Directors of our Company**



**Swati A. Piramal**  
*Executive Director*  
DIN: 00067125



**Anjali Bansal**  
*Non-Executive Independent*  
*Director*  
DIN: 00207746

**Date: 28/08/2023**

**Place: Switzerland**

**ANNEXURE A: FINANCIAL STATEMENTS**

<b>Financial Statements</b>	<b>Page Number</b>
Audited Consolidated Financial Statements FY 2023	F-1
Audited Standalone Financial Statements FY 2023	F-124
Audited Consolidated Financial Statements FY 2022	F-218
Audited Standalone Financial Statements FY 2022	F-317
Audited Consolidated Financial Statements FY 2021	F-399
Audited Standalone Financial Statements FY 2021	F-498
Unaudited Consolidated Financial Results	F-584
Unaudited Standalone Financial Results	F-593

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**Suresh Surana & Associates LLP**  
Chartered Accountants  
308-309, A wing,  
Technopolis Knowledge Park,  
Mahakali Caves Road,  
Andheri (East), Mumbai- 400 093.  
Maharashtra, India.

**Bagaria & Co LLP**  
Chartered Accountants  
701 Stanford, S V Road,  
Andheri (West), Mumbai – 400 058.  
Maharashtra, India.

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## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
**Piramal Enterprises Limited**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Piramal Enterprises Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and audit evidence obtained by other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.





**Emphasis of Matter – Business Combination**

In case of one subsidiary, their auditors have drawn attention to matters as stated in Note 66(ii) of the consolidated financial statements for the year ended March 31, 2023 with regards to:

- (a) approval of the resolution plan submitted by the erstwhile Piramal Capital & Housing Finance Limited ('ePCHFL') in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which ePCHFL had merged into DHFL with effect from 30 September 2021 (hereinafter referred to as 'the business combination'). As is more fully described in the aforesaid note, the aforesaid business combination had been given effect in the consolidated financial statement for the year ended 31 March 2022 in line with the accounting principles prescribed for reverse acquisition business combinations under Ind AS 103, Business Combinations, and other applicable Indian Accounting Standards, except to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021.
- (b) opinion of legal and tax experts, the subsidiary company had not recognized certain deferred tax assets and had recognized a provision against contingent tax liabilities pertaining to income tax obligation of DHFL for the year ended 31 March 2020 and 31 March 2021, while determining the fair value of assets and liabilities acquired by way of the business combination. As explained in Note 66 (ii) to the accompanying consolidated financial statement during the year ended 31 March 2023, the subsidiary company received assessment order from Income Tax Department completing the assessment proceedings u/s 143(3) of the Income Tax Act, 1961 for the financial year ended 31 March 2021 wherein subsidiary company's submissions relating to uncertain tax position of DHFL were accepted by the assessing officer. Further, in view of the management of the subsidiary company, the tax assessment for the financial year ended 31 March 2020 is time barred. Accordingly, as disclosed in the said Note 58, the subsidiary company has reversed the contingent tax provision of Rs. 3,327.54 crores in the current year and disclosed the same as "Reversal of Tax Provision – Earlier Years" in the consolidated financial statements.

Our opinion is not modified in respect of this matter.

**Key audit matters**

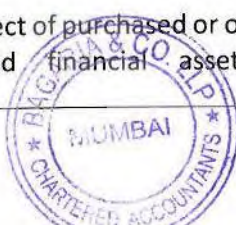
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



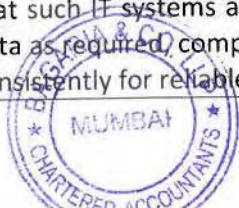


Sr. No.	Key Audit Matters	Auditors' Response
1.	<p><b>Expected Credit Loss allowance on financial assets and net loss on derecognition of financial instruments under amortised cost category.</b></p> <p>Refer to accounting policies in Note 2 (A) (vii) to the consolidated financial statements; Impairment and net loss on derecognition of financial instruments under amortised cost category – Notes 36, 37 and 57(f) to the consolidated financial statements.</p>	
	<p>Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we and subsidiary auditors identified greater levels of management judgement and therefore increased levels of audit focus in the Group's estimation of ECL are:</p> <ul style="list-style-type: none"> <li>• The application of ECL model requires several data inputs to calculate Probability of Default ("PDs"), Loss Given Default ("LGD") and Exposure at Default (EAD). Inherently judgmental inputs / model used to estimate ECL which involves determination of PD, LGD and EAD.</li> <li>• The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered as a significant judgmental aspect of the Group modelling approach.</li> <li>• Estimating Management overlay for economic uncertainty, forward-looking information, and macro-economic factors.</li> <li>• Qualitative adjustments are made by the Management to the results obtained from ECL models to address any identified impairment or emerging trends as well as risks not captured by models. These adjustments are inherently subjective and significant management judgement is involved in estimating these amounts.</li> <li>• In respect of purchased or originated credit impaired financial assets, cumulative</li> </ul>	<p>Principal audit procedures followed by us and followed by auditors of one subsidiary and as communicated to us:</p> <ul style="list-style-type: none"> <li>➤ Reviewed the Board approved loss allowance policy and verified the alignment of methodology adopted for computation of ECL that addresses the policies approved by the Board of Directors.</li> <li>➤ Tested the design and operating effectiveness of the key controls over the completeness and accuracy of data, inputs and assumptions into the ECL Model.</li> <li>➤ Evaluated whether the methodology applied by the Group is compliant with the requirements of the relevant accounting standards, RBI's master directions relating to Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and confirmed that the calculations are performed in accordance with the approved methodology and ECL amounts has been approved by the management and the Audit committee.</li> <li>➤ Tested on sample basis key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts and model assumptions applied.</li> <li>➤ Tested the arithmetical accuracy of the computation of ECL provision performed by the Group in spreadsheets.</li> <li>➤ Assessed the appropriateness and adequacy of the related presentation and disclosures made in the standalone and consolidated</li> </ul>





	<p>changes, at the portfolio level, in lifetime expected credit losses since initial recognition are recognised as a loss allowance. Significant management judgement is applied to assess such changes.</p> <ul style="list-style-type: none"> <li>• Completeness and accuracy of the data from internal and external sources used in the Models. Qualitative and quantitative factors used in staging the loan assets.</li> </ul> <p>Considering the significance of ECL to the overall consolidated financial statements and the degree of Management's estimates and judgements involved in this matter that requires significant auditors' attention. We along with subsidiary auditor have considered the expected credit loss allowance on financial assets to be a key audit matter.</p> <p>The disclosures regarding the Group's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL and net loss on derecognition of financial instruments under amortised category. Further, disclosures to be provided as per RBI circulars in financial statements with regards to non-performing assets and provisions will also be an area of focus, particularly as this will be the first year, in case of Holding Company, some of these disclosures will be presented and are related to an area of significant estimate.</p>	<p>financial statements in accordance with the applicable accounting standards and related RBI circulars and guidelines, as applicable.</p> <p>Additionally, audit oversight procedures carried out by us over the work performed by the Auditors of one subsidiary consisted of:</p> <ul style="list-style-type: none"> <li>➤ Inquiring about the audit procedures performed by the Auditors of one subsidiary.</li> <li>➤ Discussion with the Component's Management to understand the key assumptions (i.e., staging, EAD, PD and LGD rates) and other inputs, including macro-economic factors, used in the computation of ECL provision.</li> <li>➤ Discussion with the Auditors of one subsidiary on their evaluation of events up to the date of the audit report and obtaining communication in this regard.</li> </ul>
<p><b>2.</b></p>	<p><b>Information Technology (IT) systems and controls impacting financial reporting.</b></p>	
	<p>The IT environment of the Group is complex and involves a number of independent and interdependent IT systems used in the operations of the Group for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Group.</p> <p>Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.</p>	<p>Principal audit procedures followed by us and followed by auditors of one subsidiary and as communicated to us:</p> <ul style="list-style-type: none"> <li>➤ In assessing the controls over the IT systems of the Group, involved our technology specialists to obtain an understanding of IT environment, IT infrastructure and IT systems.</li> <li>➤ Evaluated and tested relevant IT general controls and IT application controls of the "in-scope" IT systems identified as relevant</li> </ul>



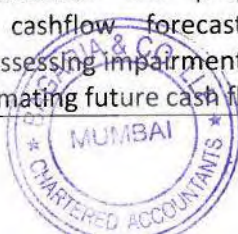


	<p>Identification of certain key IT systems (“in-scope” IT systems) which have an impact on the financial reporting process and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the Group for processing financial transactions, the complexity of the IT architecture and its impact.</p>	<p>for audit of the financial statements and financial reporting process of the Group.</p> <ul style="list-style-type: none"> <li>➤ On such “in-scope” IT systems, tested key IT general controls as follows: <ul style="list-style-type: none"> <li>• Program change management, which includes that program changes are moved to production environment as per defined procedures.</li> <li>• User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel.</li> <li>• Program development, which comprises IT operations and system development life cycle for relevant in-scope applications, operating systems, and databases, which are relied upon for financial reporting.</li> </ul> </li> <li>➤ Other areas that were assessed under the IT control environment included backup management, business continuity, disaster recovery, incident management, interface, batch processing and monitoring.</li> <li>➤ Evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports.</li> <li>➤ Where control deficiencies were identified, testing of compensating controls or performed alternative audit procedures, where necessary.</li> </ul>
3	<p><b>Principal Business Criteria and Impairment Assessment of Goodwill</b> Refer Note 48 to the consolidated financial statements.</p>	





<p>The key audit matter provided below is as communicated by the auditors of one subsidiary:</p> <p>A wholly owned subsidiary had recognized Rs. 10,256.81 crores as Goodwill arising from the merger of erstwhile Piramal Housing Finance Limited with Piramal Finance Limited and Piramal Capital Limited on 31 March 2018 in line with the scheme of arrangement approved by the NCLT. Further, during the current year the wholly owned subsidiary has impaired Goodwill amounting to Rs. 10,256.81 crores.</p> <p>As per the requirements of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions') a Housing Finance Company ('HFC') is required to comply with the Principal Business Criteria ('PBC') to be eligible to continue to hold the Housing Finance Company license. In order to meet the PBC, the wholly owned subsidiary company has adopted a revised business strategy to reduce the Assets under Management ('AUM') in the wholesale lending business, acquired as above, as further described in Note 48 to the consolidated financial statements.</p> <p>In accordance with the requirements of Ind AS 36 Impairment of Assets, the Component tests Goodwill allocated to various cash generating units (CGUs) for impairment annually, or more frequently when there is an indication that the Goodwill may be impaired.</p> <p>In performing such impairment assessment, management of the component compared the carrying value of the separately identifiable CGU with the respective value in use based on discounted cash flow forecast to determine if any impairment loss should be recognised. The management of the subsidiary company has used an external valuation specialist in assessing the recoverable amount of the cash generating unit as aforesaid. The preparation of discounted cashflow forecasts for the purpose of assessing impairment of Goodwill involves estimating future cash flows, growth</p>	<p>Principal audit procedures followed by auditors of one subsidiary and as communicated to us:</p> <ul style="list-style-type: none"> <li>• Assessed the management's identification of CGU, the allocation of assets and the methodology adopted by the management in its impairment assessment of Goodwill with reference to the requirements of the prevailing accounting standards;</li> <li>• Evaluated the assumptions adopted in the preparation of the cash flow forecasts for the purpose of the impairment assessment of the Goodwill, including projected future growth rates for income and expenses.</li> <li>• Obtained the Board approved revised business strategy of the Company to further reduce the Asset Under Management (AUM) in the wholesale lending business of the Company to achieve the PBC threshold as stated in the RBI Directions. Compared this with actual reduction in AUM of wholesale lending business and increase in retail housing business and assessed the impact of shortfall in meeting PBC (if any) on financial statements and reporting thereof.</li> <li>• Obtained and reviewed the external valuation reports, considered by the Company for its impairment assessment and assessed the competence, capabilities and objectivity of the experts engaged;</li> <li>• Involved our valuation specialists to assess the appropriateness of the valuation methodology used for calculation of the recoverable value in the valuation report obtained by the management.</li> <li>• Assessed the impact of changes in the key assumptions, i.e., growth rates and the discount rates, adopted in the discounted cash flow forecasts on the conclusions reached in the impairment assessments and assessed whether there were any indicators of the management bias in the selection of these assumptions;</li> </ul>
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	<p>rates and discount rates considering the impact of revision in business strategy to maintain PBC criteria which are judgmental and inherently uncertain.</p> <p>In the consolidated financial statements, the aforesaid goodwill, being resultant from a past intra-group transaction, has never been recognised. Therefore, the aforesaid impairment provision is eliminated in the consolidated financial statements.</p> <p>Given the complexity and judgement involved in assessment of impairment of Goodwill made by the Subsidiary Company and the criticality of meeting the PBC for a HFC, these matters have been considered of most significance and hence, the same has been considered as key audit matter.</p> <p>The above matter is also considered to be fundamental to the understanding of the users of the consolidated financial statements.</p>	<ul style="list-style-type: none"> <li>• Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units;</li> <li>• Evaluated the adequacy of financial statement disclosures, including disclosures of key assumptions and judgements in accordance with applicable accounting standards.</li> </ul> <p>Additionally, audit oversight procedures carried out by us over the work performed by the Auditors of one subsidiary consisted of:</p> <ul style="list-style-type: none"> <li>➤ Inquiring about the audit procedures performed by the Auditors of one subsidiary.</li> <li>➤ Discussion with the Component's Management to understand the subsidiary company's plan for planned compliance with the PBC criteria within the regulatory timelines and key assumptions for impairment provision.</li> <li>➤ Discussion with the Auditors of one subsidiary on their evaluation of events up to the date of the audit report and obtaining communication in this regard.</li> </ul>
4.	<p><b>Determination of fair value for the purpose of measurement of certain financial assets measured at fair value and for the purpose of impairment assessment of investments in joint venture or associate companies measured at cost, goodwill and investment property:</b></p> <p>Refer to Accounting policies in Notes 2(A) (iv), (v)(b), (vi), (vii) and (xxi) to the consolidated financial statements; Investment measured at fair value, net gain on fair value changes and other operating income – Notes 7 and 35 to the consolidated financial statements; Assets classified as held for sale– Note 69 to the consolidated financial statements; Goodwill – Note 50 to the consolidated financial statements; Investment property – Note 12 to the consolidated financial statements; Fair value disclosures – Note 59 to the consolidated financial statements.</p>	
	<p>The Holding Company's investments in unquoted instruments (other than investment in joint ventures and associates) are measured at fair value at each reporting date and these fair value measurements significantly impact the Holding Company's financial performance. The Holding Company's investments in joint ventures and associates and investment property are measured at cost less provision for</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>➤ Understood the process, evaluating the design and testing the operating effectiveness of such controls in respect of valuation of investments by management.</li> <li>➤ Evaluated management's controls over collation of relevant information used for</li> </ul>





	<p>impairment, if any. Goodwill is tested for impairment at least annually. Investments in assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.</p> <p>The valuation for the purpose of measurement and impairment assessment requires significant judgement because of quoted prices being unavailable and limited liquidity.</p> <p>The disclosures regarding the Holding Company's fair value estimation are key to explaining the key estimation and judgements including material inputs to the estimated valuation figures.</p>	<p>determining estimates for valuation and impairment testing of investments.</p> <ul style="list-style-type: none"> <li>➤ Tested appropriate implementation of policy of valuation and impairment testing by management.</li> <li>➤ Reconciled the financial information mentioned in fair valuation and impairment testing to underlying source details.</li> <li>➤ Obtained independent valuation reports of unquoted investments.</li> <li>➤ Tested the reasonableness of management's estimates considered in such assessment.</li> <li>➤ Assessed the competence, capabilities and objectivity of the experts used by management in the process of valuation models.</li> <li>➤ Assessed the factual accuracy conclusion reached by the management and appropriateness of the disclosures made in the consolidated financial statements in respect of investments.</li> </ul>
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**Information other than the consolidated financial statements and auditor's report thereon**

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

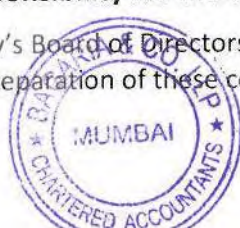
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the 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 audit of the consolidated financial statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view





of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and the consolidated cash flows of the Group including its associates and joint ventures in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

#### **Auditor's responsibilities for the audit of the consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





**Other matters**

- a) The following other matter paragraph is given by a component auditor of Pramerica Life Insurance Limited ('PLIL'), the Joint Venture of a subsidiary company, which is reproduced as under:
- The actuarial valuation of liabilities for life policies in force is the responsibility of the company's appointed actuary ("the Appointed Actuary"). The actuarial valuation of liabilities for policies in force as at 31 March 2023 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with IRDAI. We have relied upon the Appointed Actuary's certificate in this regard.
  - The valuation of liability of embedded derivatives in insurance contracts as at 31 March 2023 has been duly certified by the Appointed Actuary. We have relied upon the Appointed Actuary's certificate in this regard.
  - The Statement includes figures for the corresponding year ended 31 March 2022 which have been approved by the company's Board of Directors but have not been subjected to audit or limited review by us or any other auditor.
- b) We did not audit the financial statements of 11 subsidiaries, and, whose financial statements reflect total assets of Rs. 62,566.41 crores as at 31 March, 2023, total revenues of Rs. 6,724.86 crores and net cash flows amounting to Rs. (2,632.36) crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 20.96 crores for the year ended 31 March, 2023, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and the joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and the joint venture is based solely on the reports of the other auditors.
- c) We did not audit the financial information of 12 subsidiaries, whose financial information reflect total assets of Rs. 453.05 crores as at 31 March, 2023, total revenues of Rs. 12.75 crores and net cash flows amounting to Rs. 47.61 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 367.64 crores for the year ended 31 March, 2023, as considered in the consolidated financial statements, in respect of two associates and six joint ventures, whose financial information have not been audited by us. This financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited





financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Group.

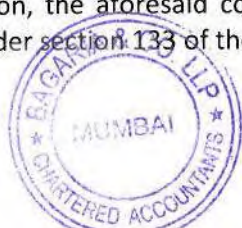
Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

- d) The comparative financial information for the year ended 31 March 2022, prepared in accordance with Ind AS, included in these consolidated financial statements have been audited by the predecessor auditors. The report of the predecessor auditors on this comparative financial information dated 26 May 2022 expressed an unmodified opinion.
- e) The comparative financial information of the Group for the year ended 31 March, 2022 have been restated pursuant to:
- the Holding Company receiving the Certificate of Registration from the Reserve Bank of India, to carry on the business of non-banking financial company, the Group has prepared and presented its consolidated financial statements as per the format prescribed in Division III of Schedule III to Companies Act, 2013. (Refer Note 1(B)); and
  - the National Company Law Tribunal approval of Composite Scheme of Arrangement for demerger of Pharma undertaking, effective from April 1, 2022 (Refer Note 71)

Our opinion on the consolidated financial statements is not modified in respect of matters under Paragraph (a), (b), (c), (d) and (e) above.

#### **Report on other Legal and Regulatory requirements**

1. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on the separate financial statements/financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated balance sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.





- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies is disqualified as on 31 March 2023 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- (g) in our opinion and to the best of our information and explanations given to us, the Holding Company has complied with the provisions of Section 197 read with Schedule V 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of subsidiary companies, associate companies and joint venture companies, as noted in the 'Other Matters' paragraph:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures; (Refer Note 43 to the consolidated financial statements)
  - Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, as detailed in Note 57 to the consolidated financial statements;
  - Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ('IEPF') by a subsidiary company incorporated in India.

Unclaimed Dividend Amount (Rs. In Crores)	Due date for transferring amounts to IEPF	Date of Payment
0.06	28 December 2019	19 August 2022
0.08	28 September 2020	23 August 2022
0.18	28 March 2021	23 August 2022
0.13	29 September 2021	23 August 2022
0.12	27 December 2021	19 August 2022

Refer Note 20 for reasons of delay in transferring the above amounts.

- iv. (a) The respective Managements of the Holding Company, its subsidiary companies, joint ventures and associate companies which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries, joint venture and associates respectively that, to the best of their knowledge and belief as disclosed in Note 72 of





the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, joint venture and associate companies to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding Company or any of such subsidiaries, joint venture and associate companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The respective Managements of the Holding Company, its subsidiaries, joint venture and associates companies, which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries, joint venture and associates companies respectively that, to the best of their knowledge and belief as disclosed in Note 72 of the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries, joint venture and associate companies from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, joint venture and associates companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The dividend declared or paid during the year by the Holding Company is in compliance with the Section 123 of the Act, as applicable.



2. With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and by the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements. Further, in respect of the 5 subsidiaries, 2 joint venture companies and 1 associate company, which are incorporated in India, included in the consolidated financial statements based on unaudited financial statements and, the CARO report as applicable in respect of those companies are not available and consequently have not been provided to us as on the date of this audit report.

**For Suresh Surana & Associates LLP**

Chartered Accountants

Firm Regn. No.: 121750W /W-100010



**Santosh Maller**

Partner

Membership No.: 143824

UDIN: 23143824BGQQEL5108



Place: Mumbai

Date: 5 May 2023

**For Bagaria & Co LLP**

Chartered Accountants

Firm Regn. No.: 113447W / W-100019



**Rahul Bagaria**

Partner

Membership No.: 145377

UDIN: 23145377BGRAEQ4934



Place: Mumbai

Date: 5 May 2023



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1A(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of **Piramal Enterprises Limited** (hereinafter referred to as "the Holding Company") and its subsidiary and its subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, as of that date.

**Management's responsibility for internal financial controls**

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

**Auditors' responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to Consolidated Financial Statements of the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are the companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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





We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Company, its subsidiary companies, its associate companies and joint ventures, which are the companies incorporated in India.

#### **Meaning of internal financial controls with reference to Consolidated Financial Statements**

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

#### **Inherent limitations of internal financial controls with reference to Consolidated Financial Statements**

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the other auditors as mentioned in the Other Matters paragraph below, the Company, its subsidiary companies, its associate companies and joint ventures, which are the companies incorporated in India have broadly, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

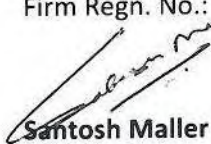


**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements, insofar as it relates to, audited 10 subsidiary companies and 1 joint venture company, incorporated in India, is based on the corresponding reports of the other auditors and insofar as it relates to, unaudited 5 subsidiary companies, 1 associate company and 2 joint venture companies, incorporated in India, is based on representation received from the management (also refer Other Matters paragraphs b & c of the Independent Auditors' Report above).

Our opinion is not modified in respect of the above matter.

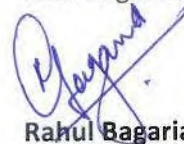
**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm Regn. No.: 121750W /W-100010

  
**Santosh Maller**

Partner  
Membership No.: 143824  
UDIN: 23143824BGQQEL5108



**For Bagaria & Co LLP**  
Chartered Accountants  
Firm Regn. No.: 113447W / W-100019

  
**Rahul Bagaria**

Partner  
Membership No.: 145374  
UDIN: 23145377BGRAEQ4934



Place: Mumbai  
Date: 5 May 2023

Place: Mumbai  
Date: 5 May 2023



**Piramal Enterprises Limited**  
**Consolidated Balance Sheet**  
as at 31 March 2023  
(Currency : Rs in crores)

	Note	31 March 2023	As at 31 March 2022 Restated
<b>ASSETS</b>			
<b>1. Financial assets:</b>			
(a) Cash and cash equivalents	3	3,729.00	6,442.59
(b) Bank balances other than cash and cash equivalents	4	920.08	744.59
(c) Derivative financial instruments	57	98.11	27.49
(d) Trade receivables	5	19.40	1,621.22
(e) Loans	6	46,394.63	49,317.96
(f) Investments	7	22,331.79	24,856.53
(g) Other financial assets	8	943.51	1,289.90
<b>Total Financial assets</b>		<b>74,436.52</b>	<b>84,300.28</b>
<b>2. Non- financial assets:</b>			
(a) Inventories	9	-	1,533.00
(b) Current tax assets (net)	10	1,467.18	1,211.95
(c) Deferred tax assets (net)	11	1,847.18	1,367.92
(d) Investment property	12	2,310.26	1,335.31
(e) Property, plant and equipment	13	336.20	3,322.40
(f) Right of use assets	49	220.25	314.73
(g) Capital work-in-progress	13	-	676.61
(h) Intangible assets under development	13	6.25	511.42
(i) Goodwill	50	272.17	1,294.70
(j) Other intangible assets	13	123.89	2,866.32
(k) Assets held for sale	69	2,277.54	-
(l) Other non-financial assets	14	454.72	1,138.27
<b>Total Non-financial assets</b>		<b>9,315.64</b>	<b>15,572.63</b>
<b>Total Assets</b>		<b>83,752.16</b>	<b>99,872.91</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1. Financial liabilities:</b>			
(a) Payables			
Trade payables	15		
(i) Total outstanding dues to micro and small enterprises		3.81	53.29
(ii) Total outstanding dues to creditors other than micro and small enterprises		395.46	1,643.64
(b) Debt securities	16	29,846.17	34,031.21
(c) Borrowings (other than debt securities)	17	19,537.80	21,293.18
(d) Deposits	18	71.96	-
(e) Subordinated debt liabilities	19	126.88	126.60
(f) Other financial liabilities	20	1,684.78	1,421.43
<b>Total Financial liabilities</b>		<b>51,666.86</b>	<b>58,569.35</b>
<b>2. Non- financial liabilities:</b>			
(a) Current tax liabilities (net)	21	721.16	3,630.08
(b) Provisions	22	122.50	206.79
(c) Deferred tax liabilities (net)	23	-	192.20
(d) Other non- financial liabilities	24	182.56	437.58
<b>Total Non-financial liabilities</b>		<b>1,026.22</b>	<b>4,466.65</b>
<b>3. Equity</b>			
(a) Equity share capital	25	47.73	47.73
(b) Other equity	26	31,011.35	35,441.40
(c) Non-controlling interest		-	1,347.78
<b>Total Equity</b>		<b>31,059.08</b>	<b>36,836.91</b>
<b>Total Liabilities and Equity</b>		<b>83,752.16</b>	<b>99,872.91</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes 2 to 78

In terms of our report attached

**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm Registration No: 121750W / W-100010

**For Bagaria & Co LLP**  
Chartered Accountants  
Firm Registration No: 113447W / W-00019


**For and on behalf of the Board of Directors**  
**Piramal Enterprises Limited**

  
**Santosh Maller**  
Partner  
Membership No: 143824



  
**Rahul Bagaria**  
Partner  
Membership No: 145377



  
**Ajay G. Piramal**  
Chairman  
(DIN:00028116)



  
**Upma Goel**  
Chief Financial Officer

  
**Bipin Singh**  
Company Secretary

Place : Mumbai  
Date : 5 May 2023

Place : Mumbai  
Date : 5 May 2023

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Place : Mumbai  
Date : 5 May 2023

**Piramal Enterprises Limited**  
**Consolidated Statement of Profit and Loss**  
For the year ended 31 March 2023  
(Currency : Rs in crores)

	Note	For the year ended	
		31 March 2023	31 March 2022 Restated
<b>Revenue from operations</b>			
(a) Interest income	27	7,798.62	7,522.78
(b) Dividend income	28	91.75	49.36
(c) Rental income	29	23.02	1.18
(d) Fees and commission income	30	291.64	135.43
(e) Sale of services	31	11.83	16.75
(f) Other operating income	68	717.44	
<b>Total revenue from operations</b>		<b>8,934.30</b>	<b>7,725.50</b>
(g) Other income	32	152.44	185.39
<b>Total income</b>		<b>9,086.74</b>	<b>7,910.89</b>
<b>Expenses</b>			
(a) Finance costs	33	3,994.32	4,225.09
(b) Fees and commission expense	34	46.86	56.63
(c) Net loss on fair value changes	35	808.75	133.85
(d) Net loss on derecognition of financial instruments under amortised cost category	36	4,642.17	22.06
(e) Impairment allowance / (reversals) on financial instruments	37	(155.86)	674.01
(f) Employee benefits expense	38	930.05	512.64
(g) Depreciation, amortization and impairment	39	122.88	74.28
(h) Other expenses	40	1,161.91	584.83
<b>Total expenses</b>		<b>11,551.08</b>	<b>6,283.39</b>
<b>Profit / (loss) before share of associates and joint ventures, exceptional items and tax</b>		<b>(2,464.34)</b>	<b>1,627.50</b>
Share of net profit of associates and joint ventures		388.61	593.85
<b>Profit / (loss) after share of associates and joint ventures before exceptional items and tax</b>		<b>(2,075.73)</b>	<b>2,221.35</b>
Exceptional gains / (losses) (net of tax)	41	8,066.26	(152.92)
<b>Profit before tax and after share of associates and joint ventures and exceptional items</b>		<b>5,990.53</b>	<b>2,068.43</b>
<b>Tax Expense</b>	58		
Current tax		2.69	742.52
Deferred tax		(653.53)	(336.33)
Tax adjustments of earlier years		(3,327.21)	-
		<b>(3,978.05)</b>	<b>406.19</b>
<b>Profit for the year from continuing operations</b>		<b>9,968.58</b>	<b>1,662.24</b>
<b>Profit from discontinued operations (net of tax)</b>	71	-	<b>336.53</b>
<b>Profit for the year</b>		<b>9,968.58</b>	<b>1,998.77</b>
<b>Other comprehensive income</b>	42		
<b>A. Items that will not be reclassified to profit or loss</b>			
(a) Changes in fair values of equity instruments through OCI		197.95	(20.73)
(b) Remeasurement gains / (losses) on defined benefit plans		2.31	0.96
(c) Income tax relating to items that will not be reclassified to profit or loss		13.33	47.71
<b>B. Items that will be reclassified to profit or loss</b>			
(a) Deferred gains / (losses) on hedge accounting		13.43	12.99
(b) Changes in fair values of debt instruments through OCI		(17.32)	(97.58)
(c) Exchange differences on translation of financial statements of foreign operations		(8.53)	111.38
(d) Share of other comprehensive income of joint ventures accounted for using the equity method		(70.89)	(77.27)
(e) Income tax relating to items that will be reclassified to profit or loss		0.93	(3.26)
<b>Other comprehensive income from continuing operations</b>		<b>131.21</b>	<b>(25.80)</b>
<b>Other comprehensive income from discontinued operations (net of tax)</b>		-	<b>98.74</b>
<b>Total comprehensive income for the year</b>		<b>10,099.79</b>	<b>2,071.71</b>
<b>Profit attributable to:</b>			
Owners of the Company		9,968.58	1,923.11
Non-Controlling interests		-	75.66
		<b>9,968.58</b>	<b>1,998.77</b>
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		131.21	53.07
Non-Controlling interests		-	19.87
		<b>131.21</b>	<b>72.94</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		10,099.79	1,976.18
Non-Controlling interests		-	95.53
		<b>10,099.79</b>	<b>2,071.71</b>





**Piramal Enterprises Limited**  
**Consolidated Statement of Profit and Loss**  
*For the year ended 31 March 2023*  
(Currency : Rs in crores)

	Note	For the year ended	
		31 March 2023	31 March 2022 Restated
<b>Earnings per equity share (Basic and Diluted) (Rs.) (Face value of Rs.2 each)</b>	44		
<b>For Continuing Operations</b>			
a) Basic EPS for the year (Rs.)		417.68	69.75
b) Diluted EPS for the year (Rs.)		416.30	69.50
<b>For Discontinued Operations</b>			
a) Basic EPS for the year (Rs.)		-	10.95
b) Diluted EPS for the year (Rs.)		-	10.90
<b>For Continuing and Discontinued Operations</b>			
a) Basic EPS for the year (Rs.)		417.68	80.70
b) Diluted EPS for the year (Rs.)		416.30	80.40

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes 2 to 78

In terms of our report attached

**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm Registration No:121750W / W-100010

  
**Santosh Maller**  
Partner  
Membership No: 143824



**For Bagaria & Co LLP**  
Chartered Accountants  
Firm Registration No: 113447W / W-100019

  
**Rahul Bagaria**  
Partner  
Membership No: 145377



**For and on behalf of the Board of Directors**  
**Piramal Enterprises Limited**

  
**Ajay G. Piramal**  
Chairman  
(DIN:00028116)



  
**Upma Goel**  
Chief Financial Officer

  
**Bipin Singh**  
Company Secretary

Place : Mumbai  
Date : 5 May 2023

Place : Mumbai  
Date : 5 May 2023

Place : Mumbai  
Date : 5 May 2023

**Piramal Enterprises Limited**  
**Consolidated Cash Flow Statement**  
For the year ended 31 March 2023  
(Currency : Rs in crores)

	For the year ended	
	31 March 2023	31 March 2022 Restated
<b>A. Cash flow from operating activities</b>		
Profit / (loss) before share of net profit of associates and joint ventures, exceptional items and tax from continuing operations	(2,464.34)	1,627.50
Profit before tax from discontinued operations	-	397.18
Adjustments for:		
Dividend / redemption income	(91.75)	(286.03)
Interest income from fixed deposits	(66.77)	(36.81)
Finance costs	3,994.32	4,225.09
Finance Costs paid	(4,367.32)	(4,356.06)
(Gain)/Loss on loans and advances	(1,291.66)	265.49
(Gain)/Loss on fair valuation on investments	2,110.87	(128.26)
Amortisation of grants & other deferred income	-	(39.53)
Loss/ (Gain) on Sale of Property Plant and Equipment	(2.62)	(1.58)
Provision for inventories	-	45.74
Loss on derecognition of financial assets (net)	4,642.17	22.06
Loss on sale of investments in subsidiary	26.20	-
Allowance for expected credit loss on loans and other financial assets (net)	(155.86)	696.07
Trade Receivables written off / Expected Credit Loss on Trade Receivables	8.42	(10.03)
Depreciation and amortisation	122.88	665.78
<b>Operating cash flow before working capital changes</b>	<b>2,464.54</b>	<b>3,086.61</b>
Adjustments for changes in Working Capital :		
Decrease / (Increase) in loans and advances	(349.77)	5,592.08
Decrease / (Increase) in investments	(1,707.59)	228.46
Decrease / (Increase) in inventories	-	(253.18)
Decrease / (Increase) in other financial assets	211.60	790.15
Decrease / (Increase) in other non-financial assets	92.91	(133.66)
Decrease / (Increase) in trade receivable	15.33	40.95
Increase / (Decrease) in derivatives	(70.62)	(27.49)
Increase / (Decrease) in trade payables	(249.35)	132.34
(Decrease) / Increase in other financial liabilities	637.70	(176.89)
(Decrease) / Increase in provisions	(32.99)	(11.45)
(Decrease) / Increase in other non financial liabilities	124.59	60.48
<b>Cash generated from operations</b>	<b>1,136.35</b>	<b>9,328.40</b>
Less: Income taxes paid (net of refunds)	222.99	(885.41)
<b>Net Cash Generated from / (Used in) Operating Activities (A)</b>	<b>1,359.34</b>	<b>8,442.99</b>
<b>B. Cash flow from investing activities</b>		
Movements in property, plant & equipments, intangible assets, right to use assets, capital work in progress and intangible assets under development and investment property	(197.03)	(959.63)
Interest Received	66.77	36.81
Dividend / redemption received	91.75	286.03
Investment in Associate / Joint Venture (net of redemptions)	55.92	(115.07)
Consideration paid to DHFL (net of cash acquired)	-	(1,918.00)
Amount paid on acquisition of subsidiaries (net)	(88.35)	(790.75)
Decrease / (Increase) in other bank balances	(280.30)	1,329.34
<b>Net Cash Generated from / (Used in) Investing Activities (B)</b>	<b>(351.24)</b>	<b>(2,131.27)</b>
<b>C. Cash flow from financing activities</b>		
Repayments of borrowings, including debt securities and subordinate debt liabilities (net)	(2,536.94)	(6,095.93)
Coupon Payment on Compulsorily Convertible Debentures	-	(80.00)
Proceeds from right issue	-	199.67
Dividend Paid	(787.59)	(797.59)
<b>Net Cash Generated from / (Used in) Financing Activities (C)</b>	<b>(3,324.53)</b>	<b>(6,773.85)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(2,316.43)</b>	<b>(462.13)</b>





**Piramal Enterprises Limited**  
**Consolidated Cash Flow Statement**  
For the year ended 31 March 2023  
(Currency : Rs in crores)

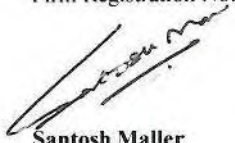
	For the year ended 31 March 2023	31 March 2022 Restated
<b>Cash and cash equivalents as at 1 April</b>	<b>6,284.06</b>	<b>5,581.65</b>
Less: Effect of exchange fluctuation on cash and cash equivalents	-	(2.05)
Add: Cash balance acquired		1,166.59
Less: Adjustments of cash and cash equivalents as per composite scheme of arrangement	(238.63)	-
<b>Cash and cash equivalents as at 31 March (refer note 3)</b>	<b>3,729.00</b>	<b>6,284.06</b>

**Notes:**

- 1 The consolidated cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS-7, "Statement of cash flow"
- 2 During the year ended 31 March 2022, the Company has allotted 1,15,89,400 equity shares (face value of Rs. 2 each) pursuant to the conversion of 1,15,894 Compulsorily Convertible Debentures.
- 3 On 1 October 2021, Piramal Pharma Limited (subsidiary of the Company) has allotted 3,988,262 equity shares of face value Rs.10 each fully paid-up in lieu of conversion of compulsory convertible preference shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) amounting to Rs.75 crores.
- 4 On 4 October 2021, Piramal Pharma Limited (subsidiary of the Company) has issued 35,755,025 equity shares as bonus shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments).
- 5 After receiving necessary approvals from NCLT vide order dated 7 June 2021, Piramal Capital & Housing Finance Limited (a wholly-owned subsidiary of the Company) has discharged its obligation under the resolution plan by paying Rs. 34,250 crores on 28 September 2021 through cash consideration of Rs.14,717.47 crores (of which Rs. 12,800 crores paid out of acquired cash) and issue of Debentures of Rs.19,532.53 crores.

The above Consolidated Cash flow statement should be read in conjunction with the accompanying notes 2 to 78  
In terms of our report attached

**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm Registration No:121750W / W-100010

  
**Santosh Maller**  
Partner

Membership No: 143824



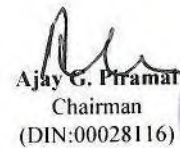
**For Bagaria & Co LLP**  
Chartered Accountants  
Firm Registration No: 113447W / W-100019

  
**Rahul Bagaria**  
Partner

Membership No: 145377



**For and on behalf of the Board of Directors  
Piramal Enterprises Limited**

  
**Ajay G. Piramal**  
Chairman  
(DIN:00028116)

  
**Upma Goel**  
Chief Financial Officer

  
**Bipin Singh**  
Company Secretary



Place : Mumbai  
Date : 5 May 2023

Place : Mumbai  
Date : 5 May 2023

Place : Mumbai  
Date : 5 May 2023

**Piramal Enterprises Limited**  
**Consolidated Statement of Changes in Equity**  
*For the year ended 31 March 2023*  
(Currency : Rs in crores)

**A. Equity Share Capital (Refer Note 25):**

Particulars	Amount
Balance as at 1 April 2021	45.11
Changes in Equity Share Capital during the year ended 31 March 22	2.62
<b>Balance as at 31 March 2022</b>	<b>47.73</b>
Balance as at 1 April 2022	47.73
Changes in Equity Share Capital during the year ended 31 March 23	-
<b>Balance as at 31 March 2023</b>	<b>47.73</b>

**B. Other Equity:**

Particulars	Attributable to the owners of Piramal Enterprises Limited											Non-controlling Interests					
	Reserves & Surplus						Other Items in OCI				Other equity						
	Note	Employee stock option reserve	Securities Premium	Capital Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Reserve Fund U/S 45-IC (1) OF Reserve Bank Of India Act, 1934	Reserve Fund u/s 29C of the NHB Act, 1987	Amalgamation adjustment reserve			Retained Earnings	Foreign Currency Translation Reserve	FVTOCI - Equity Instruments	FVTOCI - Debt Instruments	Cash Flow Hedging Reserve
<b>Balance as at 1 April 2022</b>		-	14,742.15	116.55	61.73	2.00	5,714.60	225.74	2,445.65	(4,902.88)	16,334.02	670.49	93.09	(65.69)	3.96	35,441.40	1,347.78
Profit after tax for the year		-	-	-	-	-	-	-	-	-	9,968.58	-	-	-	-	9,968.58	-
Other Comprehensive Income, net of tax expense for the year		-	-	-	-	-	-	-	-	-	(69.26)	(8.58)	212.00	(13.01)	10.05	131.21	-
Adjustments of reserves as per composite scheme of arrangement (Refer Note 71)		-	(3,320.50)	-	-	-	-	-	-	-	(9,811.68)	(599.93)	-	-	(10.21)	(13,742.31)	(1,347.78)
Transfer from Debenture Redemption Reserve	26	-	-	-	-	(2.00)	-	-	-	-	2.00	-	-	-	-	-	-
Share based payment expenses (Refer Note 76)		0.06	-	-	-	-	-	-	-	-	488.29	-	(488.29)	-	-	0.06	-
Realised income / (loss) on FVOCI Instruments		-	-	-	-	-	-	-	-	-	(484.27)	-	-	-	-	-	-
Transfer to Reserve Fund u/s 45-IC (1) of the Reserve Bank of India Act, 1934		-	-	-	-	-	-	484.27	-	-	-	-	-	-	-	-	-
Dividend paid during the year		-	-	-	-	-	-	-	-	-	(787.59)	-	-	-	-	(787.59)	-
<b>Balance as at 31 March 2023</b>		0.06	11,421.65	116.55	61.73	-	5,714.60	710.01	2,445.65	(4,902.88)	15,640.09	61.98	(183.20)	(78.70)	3.81	31,011.35	-





**Piramal Enterprises Limited**  
**Consolidated Statement of Changes in Equity**  
*For the year ended 31 March 2023*  
 (Currency - Rs in crores)

Particulars	Attributable to the owners of Piramal Enterprises Limited											Non-controlling Interests				
	Reserves & Surplus															
	Equity Component of Compulsorily Convertible Debentures	Securities Premium	Capital Reserve	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Reserve Fund U/S 45-IC (1) of Reserve Bank of India Act, 1934	Reserve Fund u/s 29C of the NHB Act, 1987	Amalgamation adjustment reserve	Retained Earnings	Foreign Currency Translation Reserve		FVTOCI - Equity Instruments	FVTOCI - Debt Instruments	Cash Flow Hedging Reserve	Other equity
<b>Balance as at 1 April 2021</b>	1,527.35	12,946.74	18.63	61.73	4.16	5,714.60	140.68	501.51	-	12,408.03	584.13	65.51	11.58	(11.80)	33,972.85	1,121.00
Additional non-controlling interests arising on issue of shares by the subsidiary company	-	-	-	-	-	-	-	-	-	(141.31)	-	-	-	-	(141.31)	141.31
Issue of Equity Shares during the year	-	71.01	-	-	-	-	-	-	-	1,923.11	-	-	-	-	71.01	-
Profit after tax for the year	-	-	-	-	-	-	-	-	-	0.64	86.36	27.58	(77.27)	-	1,923.11	75.66
Other Comprehensive Income, net of tax expense for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	15.76	53.07	19.87
Tax on transfer of pharma business to Piramal Pharma Limited	-	-	(74.71)	-	-	-	-	-	-	-	-	-	-	-	(74.71)	-
Issue and conversion of Compulsorily Convertible Debentures into Equity Shares	(1,527.35)	1,525.03	-	-	-	-	-	-	-	-	-	-	-	-	(2.32)	-
Rights Issue of Equity Shares	-	199.37	-	-	-	-	-	-	-	-	-	-	-	-	199.37	-
Transfer on account of reverse merger (Refer Note 66 (ii))	-	-	172.63	-	-	-	-	1,838.99	(4,902.88)	3,119.19	-	-	-	-	227.93	-
Transfer from Debt Redemption Reserve	-	-	-	-	(2.16)	-	-	-	-	2.16	-	-	-	-	-	-
Transfer to Reserve Fund u/s 45-IC (1) of the Reserve Bank of India Act, 1934	-	-	-	-	-	-	85.06	-	-	(85.06)	-	-	-	-	-	-
Transfer to Reserve Fund U/s 29C of the NHB Act, 1987	-	-	-	-	-	-	-	105.15	-	(105.15)	-	-	-	-	-	-
Dividend paid during the year	-	-	-	-	-	-	-	-	-	(787.59)	-	-	-	-	(787.59)	(10.06)
<b>Balance as at 31 March 2022</b>	-	14,742.15	116.55	61.73	2.00	5,714.60	225.74	2,445.65	(4,902.88)	16,334.02	670.49	93.09	(65.69)	3.96	35,441.40	1,347.78

The above Consolidated Statement of Changes in Equity is to read in conjunction with accompanying notes 2 to 78

In terms of our report attached

**For Suresh Surana & Associates LLP**  
 Chartered Accountants  
 Firm Registration No: 121750W / W-100010



**For Bagaria & Co LLP**  
 Chartered Accountants  
 Firm Registration No: 113447W / W-100019



**For and on behalf of the Board of Directors**  
**Piramal Enterprises Limited**

*Ajay C. Piramal*  
 Chairman  
 (DIN:00028116)



*Upma Goel*  
 Chief Financial Officer

*Bipin Singh*  
 Company Secretary

Place : Mumbai  
 Date : 5 May 2023

Place : Mumbai  
 Date : 5 May 2023

Place : Mumbai  
 Date : 5 May 2023



**I. (A) Corporate Information**

Piramal Enterprises Limited (‘the Holding Company’), incorporated in India, is a public limited company, headquartered in Mumbai. On 26 July 2022, the Company received Certificate of Registration from the Reserve Bank of India (RBI) to carry on the business of Non-Banking Financial Institution -Systematically Important Non-Deposit taking. The Company is engaged in providing finance. Under the Scale Based Regulations of the RBI, the Company is classified as a NonBanking Finance Company - Middle Layer (NBFC-ML). The equity shares of the Company are listed on the National Stock Exchange of India Limited (‘NSE’) and the BSE Limited (‘BSE’) in India. The Company’s registered office is at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070. Piramal Enterprises Limited (the ‘Company’) was incorporated under the Companies Act, 1956, with its registered and operational office in Mumbai.

The Holding Company and its subsidiaries (collectively referred to as the ‘Group’) are primarily engaged in the business of financial services comprising of lending / investing. Accordingly, the Group provides comprehensive financing solutions to various companies. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance, and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals - Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). The Group has also launched Distressed Asset Investing platform that invests in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround.

The Group also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge (CDPQ). The Group has equity investments in Shriram Group, a leading financial conglomerate in India.

**(B) Basis of preparation**

**Compliance with Ind AS**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (‘the Act’) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act., the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (‘the NBFC Master Directions’), notification for Implementation of Indian Accounting Standards issued by RBI vide circular RBI/2019-20/170 DOR(NBFC).CC PD. No.109/22.10.106/2019-20 dated 13 March 2020 (‘RBI notification for Implementation of Ind AS’) and other applicable RBI circulars/notifications.

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the ‘Act’). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 ‘Statement of Cash Flows’. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Cash Flow, Consolidated Statement of Changes in Equity, summary of the significant accounting policies and other explanatory information are together referred as the ‘Consolidated financial statements’ of the Holding Company.

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

Until the financial year ended 31 March 2022, the Group used to prepare and present consolidated financial statements as per the format prescribed in Division II of Schedule III to Companies Act, 2013. On 26 July 2022, the holding company has received Certificate of Registration to carry on the business of Non-Banking Financial Institution. Hence, the Holding Company is required to prepare and present financial statements as per the format prescribed in Division III of Schedule III to Companies Act, 2013. The format and figures in the consolidated statement of profit and loss and balance sheet of the previous period in the consolidated financial statements have been accordingly restated and reclassified to conform to the new format. The Holding Company commenced its NBFC business on 18 August 2022.

The consolidated financial statements are presented in Indian Rupee (₹), which is also the functional currency of the Holding Company, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act.

**Basis of Accounting**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period and accounting for business combination carried out by the Group during the year (as more fully explained in note 66). The consolidated financial statements are prepared and presented on going concern basis.

**Use of Estimates and Judgements**

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards (‘Ind AS’) requires The management to make Estimates, Judgements and assumptions. These Estimates, Judgements and assumptions affect The application of Accounting policies and The reported amounts of assets and liabilities, The disclosure of contingent assets and liabilities at The date of The financial statements and The reported amounts of revenues and expenses during The year. Accounting Estimates could change from Period to period. Actual results could differ from those estimates. Revisions to Accounting Estimates are recognised prospectively. 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.

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities. Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of certain assets and liabilities.

1. Business Combination - Note 66
2. Measurement of defined benefit obligations; key actuarial assumptions – Note 54
3. Fair Valuation of financial assets and liabilities - Note 59
4. Impairment of financial assets – Note 57(f)
5. Income tax - Note 2(xvi)
6. Evaluation of business Model - Note 2 (vii)
7. Provision and Liabilities - Note 2(xi)
8. Useful Life of Property, Plant and Equipment (PPE) and Intangible assets - Note 2 (iii) & (v)
9. Impairment of Goodwill - Note 2(v)(b)





**2 (A) Significant Accounting Policies**

**i) Principles of consolidation and equity accounting**

**a) Subsidiaries:**

Subsidiaries are all entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

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

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

**b) Associates:**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost. Wherever necessary, adjustments are made to financial statements of associates to bring there accounting policies in line with those used by the other members of group.

**c) Joint Arrangements:**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

**d) Equity method:**

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

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

The Group does not apply equity method of accounting to associates that meet the criteria to be classified as held for sale under Ind AS 105. Such investments in associates are accounted for using the requirements of Ind AS 105 until disposal of the investment. Refer (iv) below for accounting policies with respect to Assets held for sale.

**e) Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

**ii) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

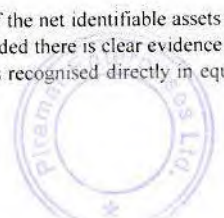
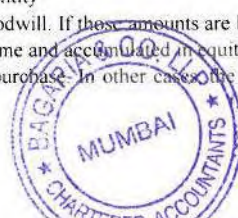
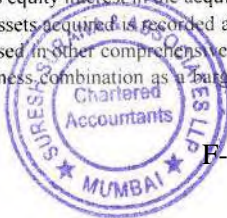
Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If these amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.





Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

**Common control transactions**

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

- 1) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- 2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- 3) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- 4) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- 5) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.
- 6) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- 7) The Group presents a third balance sheet as at the beginning of the preceding period in addition to the minimum comparative financial statements, if it applies accounting policies retrospectively, makes retrospective restatement of items in its financial statements or reclassifies items in its financial statements and the same has material impact on the third balance sheet.

**iii) Property, Plant and Equipment**

All items of Property Plant & Equipment (other than freehold land except for fair valued assets on business combination (Refer note 66) are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Freehold Land is carried at historical cost. 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 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:

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

The estimated useful lives of Property, Plant & Equipment are as stated below:

Asset Class	Useful life
Buildings*	3 years - 60 years
Roads	10 years
Plant & Equipment	3 - 20 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Motor Vehicles #	4 - 8 years
Helicopter	20 years
Ships	13 years/28 Years
Furniture & fixtures	3 - 15 years

\*Useful life of leasehold improvements is as per lease period

# For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years.

**(iv) Assets held for sale**

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.





**(v) (a) Intangible Assets**

Intangible assets except for fair valued assets on business combination (Refer note 66) 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	5 - 25 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 25 years
Computer Software (including acquired database)	2 - 9 years
Customer relationships	8 - 14 years

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

Certain trademarks are assessed as Intangible Assets with indefinite useful lives.

**Self generated software:**

The Group recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Group and the expenditure incurred for development of such intangible assets can be measured reliably. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company. The intangible assets including those internally generated are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(v) (b) Goodwill**

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

Goodwill is carried at cost less accumulated impairment losses.

**vi) Impairment of Assets**

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.





**vii) Financial instruments**

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

**Investments and Other Financial assets**

Classification:

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

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

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

For assets measured at fair value, gains and losses will 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 Group 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 Group reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

**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.

**Effective interest rate method:**

Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired ('POCI') assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

**Fair value through other comprehensive income (FVTOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):**

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

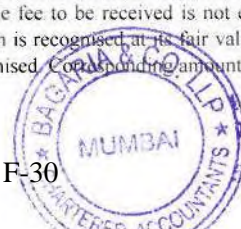
Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated statement of profit and loss.

Securitization and direct assignment

The Group transfers loans through securitisation and direct assignment transactions. The transferred loans are derecognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions for a fee, the Group recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit and loss and, correspondingly creates a service asset in balance sheet. The Group recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Group adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in Statement of Profit and Loss.





Impairment of financial assets

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

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

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

In case of other than trade receivables, the expected credit loss is a product of exposure at default, probability of default and loss given default. The Group has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Group also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

- 1) Significant negative deviation in the business plan of the borrower
- 2) Internal rating downgrade for the borrower or the project
- 3) Current and expected financial performance of the borrower
- 4) Need for refinance of loan due to change in cash flow of the project
- 5) Significant decrease in the value of collateral
- 6) Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure (including off Balance Sheet commitments), the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default Assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Retail lending:

The Group uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of 5-year internal PD/LGD data, the Group uses external PD/LGD data from credit bureau agency (TransUnion for Mar-22) for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios.

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.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Foreign exchange gains and losses

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

**Financial liabilities and equity instruments**

Classification as debt or equity

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





Equity Instrument

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

Compulsorily Convertible Debenture

Convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Financial liabilities

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

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

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

Effective Interest Rate 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.

Foreign exchange gains and losses

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

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities

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

**Derivatives and hedging activities**

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

(i) Cash flow hedges that qualify for hedge accounting:

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

(ii) Derivatives that are not designated as hedges:

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

Embedded derivatives

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

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

**Offsetting Financial Instruments**

Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.





**viii) Trade Receivables**

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

**ix) Inventories**

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

**x) Employee Benefits**

**Post-employment obligations**

The Group operates the following post-employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme and other social security schemes in overseas jurisdictions
- Defined Benefit plans such as provident fund and Gratuity, Pension fund (in case of a subsidiary)

In case of Provident fund, contributions are made to a Trust administered by the Group, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

**Defined Contribution Plans**

The Group's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme and other social security schemes in overseas jurisdictions are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

In case of 401(k) contribution plan (in case of US subsidiaries), contribution by the Group is discretionary. Any contribution made is charged to the Statement of Profit and Loss.

**Defined Benefit Plan**

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

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

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

In case of an overseas subsidiary, where pension is classified as a Defined Benefit Scheme, assets are measured using market values and liabilities are measured using a Projected Unit Credit method and discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which benefits will be paid, and that have terms approximating to the terms of the related obligation. Shortfall, if any, is provided for in the financial statements.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the condensed 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 condensed statement of profit or loss as past service cost.

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

**xi) Provisions and Contingent Liabilities**

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

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





**xii) Revenue recognition**

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

**Interest income**

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of profit and loss.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the default is cured and the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Penal / Default interest income is booked on receipt basis.

**Fees and commission income**

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection.

Commission and brokerage income earned for the services rendered are recognised as and when they are due.

Loan processing fees income is accounted for on effective interest basis except for processing fees income collected from the customers which approximates to the corresponding file cost incurred. Arranger fees income is accounted for on accrual basis.

**Net gain on fair value changes**

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per the criteria in Ind AS 109. The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

**Sale of goods:**

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

**Sale of Services:**

In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue) is recognised.

If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.

**Other Operating revenue**

The Items of financial instruments acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, are measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable. If the Company is able to measure reliably the fair value of either the asset received or the asset given up, then the fair value of the asset given up is used to measure the cost of the asset received unless the fair value of the asset received is more clearly evident. The difference between the fair value of the financial instrument acquired and the carrying amount of the asset given up is recognised in statement of profit and loss.

**Dividend Income:**

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

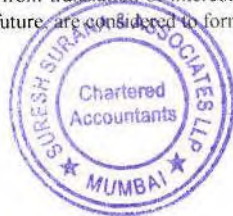
**xiii) Foreign Currency Transactions**

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

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

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

Foreign currency differences arising from translation of intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR.





**xiv) Exceptional Items**

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

**xv) Leases**

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116. Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

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

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

**xvi) Taxes on Income**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.





**xvii) Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in the consolidated balance sheet.

**xviii) Borrowing Costs**

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised

Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**xix) Segment Reporting**

The Chairman has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108. "Operating Segments "

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs. Interest income and expense are not allocated to respective segments (except in case of Financial Services segment).

**xx) Dividends**

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

**xxi) Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Cost of a investment property comprises its purchase price and any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss on disposal of an investment property is recognised in profit or loss.

**xxii) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Division III, Schedule III, unless otherwise stated.

**xiii) Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

**Ind AS 1 – Presentation of Financial Statements** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

**Ind AS 12 – Income Taxes** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its consolidated financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

**(B) Critical Accounting Judgements And Key Sources Of Estimation Uncertainties**

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the 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 current macro economic scenario**

In assessing the recoverability of loans, receivables, intangible assets and investments, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial statements. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Group's best estimate of the recoverable amounts





**ii. Fair Valuation:**

Certain financial assets of the Group are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. In such cases, the Company usually engages third party qualified external valuer to establish the appropriate valuation techniques and inputs to the valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 59.

**iii. Expected Credit Loss Impairment and Net Loss arising on Derecognition of financial asset:**

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

When determining the provision for impairment loss on financial assets carried at amortised cost and Loan commitments, in line with Expected Credit Loss model, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort for determining the Probability of default (PD) and Loss Given default (LGD). The Group's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward-looking information. Key estimation uncertainties of ECL include:

- The Group's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weights, to derive the economic inputs into the ECL model
- Additional ECL provision (including management overlay) used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios.

The inputs used and process followed by the Group in determining the impairment loss in line with Expected Credit loss model have been detailed in Note 57(f). It has been the Company's policy to regularly review its model in the context of actual loss experience, macro economical factors and adjust when necessary.

**iv. Impairment loss in Investments and investment property carried at cost:**

The Group conducts impairment reviews of investments in subsidiaries/ associates/ joint arrangements and Investment property, 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 is based on future cash flows and a suitable discount rate in order to calculate the present value.

**v. Income taxes and Deferred Taxes**

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**vi. Effective Interest Rate (EIR) Method**

The Group recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

**vii. Going Concern**

The financial statements of the Holding Company are prepared on a going concern basis. Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future.

**viii. Demerger of Pharma undertaking**

All assets and liabilities pertaining to demerged Pharma undertaking have been classified as non-cash assets held for transfer to Piramal Pharma Limited / shareholders as on 1st April 2022 being the appointed date. The difference between carrying values of the assets and liabilities transferred is recognised as gains in Profit and loss account as per the requirements of Appendix A to Ind AS 10. At the date of approval of the Scheme, the Holding Company remeasured the liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. The corresponding aggregate charge was recognised in retained earnings (reserve).

The nature of the gain (including remeasurement gain) being non-recurring in nature was classified as exceptional item by the Company.

As per the requirements of Ind AS 105, the income and expense pertaining to Pharma business in the previous comparable periods were presented in a separate line item – discontinued operations.



**ix. Non-current assets held for sale and discontinued operations**

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale.

Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the Standalone Balance Sheet.

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Statement of Profit and Loss.

The presentation and disclosures relating to the statement of profit and loss pertaining to discontinued operations by the end of the current period are re-presented in the financial statements. There is no reclassification or re-presentation of amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the balance sheets for prior periods to reflect the classification in the balance sheet for the latest period presented.

**x. Share based Payments**

The Group recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.





**Piramal Enterprises Limited**  
**Notes to the consolidated financial statements (Continued)**  
For the year ended 31 March 2023  
(Currency : Rs in crores)

3 Cash and cash equivalents	As at	
	31 March 2023	31 March 2022
Cash on hand *	0.00	5.88
Balances with banks		
- In current accounts	3,729.00	2,884.60
- Fixed deposits with banks (with original maturity of 3 months or less)	-	3,552.11
	<b>3,729.00</b>	<b>6,442.59</b>

\* below rounding off norms adopted by the Group

4 Bank balances other than cash and cash equivalents	As at	
	31 March 2023	31 March 2022
Earmarked balance with banks:		
- Unclaimed dividend accounts	16.84	18.18
- Fixed deposits accounts with banks (with original maturity more than 3 months) (refer note (i) & (ii) below)	844.60	624.91
Margin money deposits with banks	5.30	9.54
Fixed deposits accounts with banks (with original maturity more than 3 months)	53.34	91.96
	<b>920.08</b>	<b>744.59</b>

**Notes:**

- (i) Deposits with banks to the extent of Rs. 844.60 crores (31 March 2022 - Rs. 624.91 crores) held as security against the borrowings and guarantees.  
(ii) Net of fair valuation loss of Rs. 229.78 crores (31 March 2022 - Rs. 150.07 crores) on account of adjustment in cash collateral for securitised pool.

5 Trade Receivables	As at	
	31 March 2023	31 March 2022
(a) Secured, considered good	-	0.09
(b) Unsecured, considered good	14.89	1,627.74
(c) Trade Receivables – credit impaired	7.97	59.55
Less: expected credit loss allowance	(3.46)	(66.16)
	<b>19.40</b>	<b>1,621.22</b>

- No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person, other than those disclosed under note 55 (3)

- No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, other than those disclosed under note 55 (3)

In the Pharmaceuticals Manufacturing and Services business, the credit period on sale of goods ranges from 7 to 150 days.

The Group has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), the group performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

The Group has used a practical expedient by computing the expected credit loss allowance for External Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience, adjusted for forward looking information including the likelihood of increased credit risk. Based on external sources of information the group has concluded that the carrying amount of the trade receivables represent the Group's best estimate of the recoverable amounts'. The expected credit loss allowance is based on the ageing of the days the receivables are due and the Group's stated policy.



**Piramal Enterprises Limited**

**Notes to the consolidated financial statements (Continued)**

For the year ended 31 March 2023

(Currency : Rs in crores)

**Movement in Expected Credit Loss Allowance:**

	For the year ended	
	31 March 2023	31 March 2022
Balance at the beginning of the year	66.16	55.43
Add / (less) : Movements during the year	(5.72)	9.91
Less: Transferred as per composite scheme of arrangement (refer note 71)	(56.98)	-
Add: Effect of translation differences	-	0.82
Balance at the end of the year	<b>3.46</b>	<b>66.16</b>

Refer Note 45 for the receivables hypothecated as security against borrowings

Refer Note 74 for ageing of trade receivables

Refer Note 71 for discontinued operations







7 Investments	As at	
	31 March 2023	31 March 2022
<b>Investments accounted for using the equity method</b>		
<b>Investments in Equity Instruments:</b>		
<b>(A) In Joint Ventures - At Cost:</b>		
(i) Shrelekha Business Consultancy Private Limited		
Interest as at 1 April	4,026.12	3,700.50
Add - Share of profit / (loss) for the year	259.73	384.43
Add / (less) - Investment / (Redemption) (Refer note 68)	(4,285.85)	-
Less - Income / Dividend received	-	(58.81)
	<b>-</b>	<b>4,026.12</b>
(ii) India Resurgence ARC Private Limited		
Interest as at 1 April	83.55	52.03
Add / (less) - Investment / (Redemption) / Others	2.45	-
Add - Share of profit / (loss) for the year	(1.52)	31.52
	<b>84.48</b>	<b>83.55</b>
(iii) India Resurgence Asset Management Business Private Limited		
Interest as at 1 April	5.94	5.00
Add / (less) - Investment / (Redemption) / Others	(0.30)	-
Add - Share of profit / (loss) for the year	(4.72)	0.94
	<b>0.92</b>	<b>5.94</b>
(iv) Piramal Ivanhoe Residential Equity Fund I		
Interest as at 1 April	-	142.87
Add / (less) - Investment / (Redemption)	-	(119.70)
Add - Share of profit / (loss) for the year	-	31.07
Less - Income / Dividend received	-	(54.24)
	<b>-</b>	<b>-</b>
(v) India Resurgence Fund Scheme II		
Interest as at 1 April	285.86	204.32
Add / (less) - Investment / (Redemption) / Others	57.43	66.56
Add - Share of profit / (loss) for the year	78.59	72.46
Less - Income / Dividend received	(59.46)	(57.48)
	<b>362.42</b>	<b>285.86</b>
(vi) India Resurgence ARC Trust I		
Interest as at 1 April	-	48.69
Add / (less) - Investment / (Redemption) / Others	-	(48.69)
Add - Share of profit / (loss) for the year	-	24.47
Less - Income / Dividend received	-	(24.47)
	<b>-</b>	<b>-</b>
(vii) Asset Resurgence Mauritius Manager		
Interest as at 1 April	27.89	2.98
Add / (less) - Investment / (Redemption) / Others	(1.16)	-
Add - Share of profit / (loss) for the year	1.30	24.91
Less - Income / Dividend received	(4.07)	-
	<b>23.96</b>	<b>27.89</b>





**Piramal Enterprises Limited**  
**Notes to the consolidated financial statements (Continued)**  
For the year ended 31 March 2023  
(Currency : Rs in crores)

	As at	
	31 March 2023	31 March 2022
(viii) Piramal Structured Credit Opportunities Fund		
Interest as at 1 April	166.12	50.78
Add / (less) - Investment / (Redemption)	99.62	115.14
Add - Share of profit / (loss) for the year	34.28	9.64
Less - Income / Dividend received	(41.54)	(9.44)
	<b>258.48</b>	<b>166.12</b>
(ix) Pramerica Life Insurance Limited (erstwhile DHFL Pramerica Life Insurance Company Limited)		
Interest as at 1 April	957.38	-
Add / (less) - Investment / (Redemption)	(0.23)	1,020.23
Add - Share of profit / (loss) and other comprehensive for the year	20.96	14.42
Add / (Less) - Share of other comprehensive income for the year	(70.89)	(77.27)
	<b>907.22</b>	<b>957.38</b>
<b>Total (A)</b>	<b>1,637.48</b>	<b>5,552.86</b>
<b>Investments accounted for using the equity method</b>		
<b>Investments in Equity Instruments:</b>		
<b>(B) In Associates - At Cost:</b>		
(i) Allergan India Private Limited		
Interest as at 1 April	78.09	109.67
Add - Share of profit / (loss) for the year	-	59.07
Add - Share of other comprehensive income/(expense)	-	*
Less: Transferred as per composite scheme of arrangement (refer note 71)	(78.09)	-
Less - Dividend received	-	(90.65)
	<b>-</b>	<b>78.09</b>
(ii) Shriram Capital Limited		
Interest as at 1 April	0.01	0.01
Add / (less) - Investment / (Redemption) (Refer note 68)	(0.01)	-
	<b>-</b>	<b>0.01</b>
(iii) Yapan Bio Private Limited		
Interest as at 1 April	101.73	101.77
Add - Investment / (Redemption)	-	-
Less: Transferred as per composite scheme of arrangement (refer note 71)	(101.73)	-
Add - Share of profit / (loss)	-	(0.04)
	<b>-</b>	<b>101.73</b>
(iv) DHFL Venture Trustee Company Private Limited		
Interest as at 1 April	0.04	0.04
Add - Investment / (Redemption)	-	-
Add - Share of profit / (loss)	-	-
	<b>0.04</b>	<b>0.04</b>
<b>Total (B)</b>	<b>0.04</b>	<b>179.87</b>
<b>Total equity accounted investments ( A+B )</b>	<b>1,637.52</b>	<b>5,732.73</b>





**Piramal Enterprises Limited**  
**Notes to the consolidated financial statements (Continued)**

For the year ended 31 March 2023

(Currency : Rs in crores)

	As at	
	31 March 2023	31 March 2022
<b>(C) Investments at Amortised cost</b>		
Government Securities/Redeemable Bonds	1,332.35	662.27
Redeemable Non Convertible Debentures	3,596.92	8,147.74
Pass Through certificates	205.04	280.67
	5,134.31	9,090.68
Less: Expected credit loss allowance	(464.07)	(1,292.92)
	<b>4,670.24</b>	<b>7,797.77</b>
<b>(D) Investments at FVTPL</b>		
Equity Instruments	3,946.46	57.15
Preference Shares	6.24	1.84
Project Receivables	1,617.40	1,810.60
Alternative Investment Funds	4,538.10	4,164.86
Venture Capital Funds	13.99	15.88
Security Receipts	3,555.13	433.99
Optionally Convertible Debentures	340.00	309.47
Redeemable Non Convertible Debentures	231.62	840.36
Pass Through certificates	-	251.00
Mutual funds	178.82	1,972.05
	<b>14,427.76</b>	<b>9,857.20</b>
<b>(E) Investments at FVOCI</b>		
(a) Equity Instruments	148.90	1,436.50
(b) Debt Instruments		
- Preference Shares	177.52	32.32
- T-bills	762.59	-
- Redeemable Bonds	507.26	-
	<b>1,596.27</b>	<b>1,468.82</b>
<b>Total (A+B+C+D+E)</b>	<b>22,331.79</b>	<b>24,856.53</b>
<b>As at</b>		
	31 March 2023	31 March 2022
<b>Particulars</b>		
<b>Out of above</b>		
In India	22,159.60	23,392.16
Outside India	172.19	1,464.37
	<b>22,331.79</b>	<b>24,856.53</b>

\* below rounding off norms adopted by the Group

Note : During the year, the group has changed its Business model for Redeemable Bonds from "Held for collection till maturity" to "held for collection of contractual cash flows and for selling the financial assets" with effect from 1 April 2022 considering change in intention to hold such assets till maturity and liquidate basis market condition. Consequently, the group has re-classified the same from amortised cost to FVTOCI.

	As at	
	31 March 2023	31 March 2022
<b>8 Other financial assets</b>		
Interest receivable	0.27	3.68
Unbilled Revenue #	-	98.40
Security deposits	107.96	183.77
Interest strip asset on assignment	302.42	509.46
Receivables from related parties (refer note 55 (3))	0.30	1.25
Other receivables ^	593.56	493.34
Less: Expected credit loss allowance	(61.01)	-
	<b>943.51</b>	<b>1,289.90</b>

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

^ Majorly includes receivable on account of securitisation transactions



	As at	
	31 March 2023	31 March 2022
<b>9 Inventories</b>		
Raw and packing materials [includes in Transit of Nil as on 31 March 2023; Previous year: Rs. 21.15 crores ]	-	628.38
Work-in-Progress	-	340.51
Finished Goods	-	124.40
Stock-in-trade [includes in Transit of Nil as on 31 March 2023; Previous year: Rs. 4.43 crores ]	-	314.78
Stores and Spares	-	124.93
	<u>-</u>	<u>1,533.00</u>

1. Refer Note 45 for the inventories hypothecated as security against borrowings.

2. The cost of inventories recognised as an expense during the year was Nil (Previous year : Rs. 2,638.18 crores)

3. The cost of inventories recognised as an expense includes Nil (Previous year : Rs. 1.31 Crores) in respect of write downs of inventory to net realisable value and a charge of Nil (Previous year: Rs.47.58 crores) in respect of provisions for slow moving / non moving / expired / near expiry products.

4. Refer Note 2(A)(ix) for policy for valuation of inventories

5. Refer Note 71 for discontinued operations

	As at	
	31 March 2023	31 March 2022
<b>10 Current tax assets (net)</b>		
Advance tax and tax deducted at source [net of provision of income tax Rs.5,726.13 crores : Previous year: Rs.7,417.97 crores)]	1,467.18	1,211.95
	<u>1,467.18</u>	<u>1,211.95</u>

	As at	
	31 March 2023	31 March 2022
<b>11 Deferred tax assets (net)</b>		
<b>(a) Deferred Tax Assets on account of temporary differences</b>		
- Measurement of financial assets at amortised cost / fair value	-	158.39
- Provision for expected credit loss on financial assets	1,064.51	867.35
- Receivables on assigned loans		32.61
- Unused Tax Credit/losses	867.31	302.16
- Amortisation of expenses which are allowed in current year	0.14	0.14
- Expenses that are allowed on payment basis	47.94	38.35
- Effect of recognition of lease rent expense	1.76	2.27
- Unrealised profit margin on inventory	-	24.37
- Deferred Revenue	-	21.72
- Property, Plant and Equipment and Intangible assets	19.56	-
- Other temporary differences	18.26	17.93
	<u>2,019.48</u>	<u>1,465.29</u>
<b>(b) Deferred Tax Liabilities on account of temporary differences</b>		
- Property, Plant and Equipment and Intangible assets	-	68.77
- Measurement of financial assets at amortised cost / fair value	96.18	-
- Receivables on assigned loans	76.12	
- Unamortised processing fees	-	23.67
- Other temporary differences	-	4.93
	<u>172.30</u>	<u>97.37</u>
	<u>1,847.18</u>	<u>1,367.92</u>

Deferred Tax Assets and Deferred Tax Liabilities of the respective entities have been offset as they relate to the same governing taxation laws. Refer Note 58 for movements during the year.





12 Investment property

Particulars	Gross block					Depreciation, amortisation and impairment					Net block	
	Opening as at 1 April 2022	Acquisitions (refer note 66)	Additions	Deletions/ Adjustments	As at 31 March 2023 (A)	Opening as at 1 April 2022	Acquisitions (refer note 66)	For the year	Deletions/ Adjustments	As at 31 March 2023 (B)	As at 31 March 2023 (A-B)	As at 31 March 2022
(a) Investment property												
Land * #	1,335.31	179.27	-	-	1,514.58	-	-	-	-	-	1,514.58	1,335.31
Buildings	-	818.38	-	-	818.38	-	59.45	4.53	-	63.98	754.40	-
Plant & Equipments	-	34.16	-	-	34.16	-	11.39	0.79	-	12.18	21.98	-
Furniture & fixtures	-	7.41	-	-	7.41	-	2.86	0.25	-	3.10	4.31	-
<b>Total (I)</b>	<b>1,335.31</b>	<b>1,039.21</b>	<b>-</b>	<b>-</b>	<b>2,374.52</b>	<b>-</b>	<b>73.70</b>	<b>5.56</b>	<b>-</b>	<b>79.26</b>	<b>2,295.27</b>	<b>1,335.31</b>
(b) Investment property under construction												
	-	14.99	-	-	14.99	-	-	-	-	-	14.99	-
<b>Total (II)</b>	<b>-</b>	<b>14.99</b>	<b>-</b>	<b>-</b>	<b>14.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.99</b>	<b>-</b>
<b>Total (I+II)</b>	<b>1,335.31</b>	<b>1,054.21</b>	<b>-</b>	<b>-</b>	<b>2,389.52</b>	<b>-</b>	<b>73.70</b>	<b>5.56</b>	<b>-</b>	<b>79.26</b>	<b>2,310.26</b>	<b>1,335.31</b>

\* Includes land development rights of Rs. 1,335.41 crores

# The land value of Phase I and Phase II is Rs. 69.61 crores and Rs. 13.64 crores respectively.

Ageing for investment property under construction as at 31 March 2023 ^

Investment property under construction (IPUC)	Amount in IPUC for a period of			Total
	Less than 1 year	1 to 2 years	2 to 3 years	
a. Projects in progress	14.33	0.02	-	14.99
b. Project temporarily suspended	-	-	-	-

Investment property under construction completion due dates as at 31 March 2023 are as under:

Investment property under construction (IPUC)	To be completed in			Total
	Less than 1 year	1 to 2 years	2 to 3 years	
(A) Projects in progress	-	-	-	-
1. Project I	-	-	14.99	14.99
(B) Project temporarily suspended	-	-	-	-

^ There are no material projects which are delayed from its original planned cost or time. Refer Note 45 for the assets mortgaged as security against borrowings



**12 Investment property (continued)**

Additional details with respect to investment properties held by the Group are as follows:

**(i) Land development rights**

Investment property, recorded at a carrying value of Rs. 1,335.31 crores, consists of land development rights, without any restriction on its realisability and is being held for capital appreciation and eventual monetization by exploring various options.

In accordance with Ind AS 113, the fair value of investment property is determined by the Group at Rs. 1,471 crores (Previous Year: Rs. 1,734 crores) following the risk-adjusted discounted cash flow method and based on Level 3 inputs from an independent valuation expert, as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair valuation is based on current real estate prices in the active market for similar properties. The main inputs used are area, location, construction cost, demand, weighted-average cost of capital and trend of real estate market at the location.

**(ii) Commercial property**

The Group's investment property and investment property under construction consists of commercial property situated at Kurla, Mumbai. As on 31 March 2023 the fair value of investment property is Rs. 980.51 crores. The valuation is performed by an accredited registered independent valuer in accordance with the framework specified under Ind AS .

**Description of hierarchy, valuation technique used and key inputs to valuation are as below 31 March 2023:**

	Fair Value Hierarchy	Valuation Technique	Significant unobservable inputs	31-Mar-23
Wing D- Land	Level 3	Discounted Cash Flow and Residual Method (M22); Capitalisation rate method (M21)	Rent growth p.a.	5.12% p.a.
			Capitalisation rate	78% p.a.
			Occupancy rate	95%
Wing A- Land	Level 2	Market Survey Method	Based on the land (38,000 sq. m.) sold to Lodha group @ INR 120 Crores	
Wing A- Building	Level 3	Depreciated Replacement Cost method	Based on the book value of building	

Under the valuation technique as mentioned above, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/ (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/ (lower) fair value of the properties. Significant increases/ (decreases) in occupancy rate and discount rate/capitalisation rate in isolation would result in a significantly lower (higher) fair value.

**Lease income**

The Group's investment property consist of one commercial property in Kurla, Mumbai. The management has determined that the investment property consist of - Piramal Agastya Corporate Park (Phase I) based on the nature, characteristics and risks of property.

Particulars	31 March 2023
Not later than one year	39.92
Later than one year and not later than five years	93.75
Later than five years	-
Lease income recognised during the year in statement of profit and loss	44.15





13 Property, plant & equipment and intangible assets

Particulars	Gross block						Depreciation, amortisation and impairment					Net block		
	Opening as at 1 April 2022	Acquisitions (refer note 66)	Additions	Deletions/ Adjustments	Adjustments as per composite scheme of arrangement (refer note 71)	As at 31 March 2023 (A)	Opening as at 1 April 2022	Acquisitions (refer note 66)	For the year #	Deletions/ Adjustments	Adjustments as per composite scheme of arrangement (refer note 71)	As at 31 March 2023 (B)	As at 31 March 2023 (A-B)	As at 31 March 2022
<b>(a) Property, Plant &amp; Equipment</b>														
Freehold land	129.77	-	-	-	(129.28)	0.49	1.11	-	-	(1.11)	-	-	0.49	128.66
Buildings	1,637.81	-	19.68	(128.46)	(1,239.35)	289.68	187.51	14.02	(8.08)	(103.45)	30.00	259.68	1,450.30	
Roads	5.08	-	-	(5.08)	-	-	2.69	-	-	(2.69)	-	-	2.39	
Plant & Equipments	3,002.26	0.32	41.53	(0.55)	(2,954.25)	89.31	1,325.33	15.52	(1.10)	(1,290.53)	49.53	39.79	1,676.93	
Furniture & fixtures	87.29	0.01	9.60	(0.80)	(69.11)	26.99	52.64	2.52	(0.75)	(38.51)	15.91	11.08	34.65	
Office equipments	48.91	1.21	21.65	(0.93)	(39.05)	31.79	30.25	4.25	(1.10)	(24.58)	9.97	21.82	18.66	
Ships	0.88	-	-	-	-	0.88	0.62	0.09	(0.02)	-	0.69	0.20	0.26	
Helicopter <sup>^</sup>	9.60	-	-	(9.60)	-	-	3.78	5.38	(9.16)	-	-	-	5.82	
Motor vehicles	10.47	0.20	0.50	(0.49)	(1.84)	8.84	5.73	1.11	(0.01)	(1.31)	5.71	3.14	4.74	
<b>Total (1)</b>	<b>4,932.07</b>	<b>1.74</b>	<b>92.96</b>	<b>(140.82)</b>	<b>(4,437.96)</b>	<b>447.98</b>	<b>1,609.66</b>	<b>42.89</b>	<b>(20.23)</b>	<b>(1,522.18)</b>	<b>111.80</b>	<b>336.20</b>	<b>3,322.40</b>	
<b>(b) Intangible Assets (Acquired)</b>														
Customer relations	130.74	-	-	-	(130.74)	-	56.97	-	-	(56.97)	-	-	73.77	
Product-related Intangibles - Brands and Trademarks	2,757.33	-	-	-	(2,757.33)	-	798.80	-	-	(798.80)	-	-	1,958.53	
Product-related Intangibles - Copyrights, Know-hows and Intellectual property rights	326.61	-	-	-	(326.61)	-	129.51	-	-	(129.51)	-	-	197.10	
Computer Software (Including acquired database)	176.23	0.05	15.17	(1.05)	(91.10)	99.31	80.65	13.68	(1.05)	(55.75)	37.53	61.77	95.58	
<b>(c) Intangible Assets (Internally Generated)</b>														
Product Know-how	583.53	-	62.42	-	(583.53)	-	42.19	-	-	(42.19)	-	-	541.34	
Software	-	-	-	-	-	62.42	-	0.30	-	-	0.30	-	62.12	
<b>Total (11)</b>	<b>3,974.44</b>	<b>0.05</b>	<b>77.59</b>	<b>(1.05)</b>	<b>(3,889.31)</b>	<b>161.73</b>	<b>1,108.12</b>	<b>13.98</b>	<b>(1.05)</b>	<b>(1,083.22)</b>	<b>37.83</b>	<b>123.89</b>	<b>2,866.32</b>	
<b>Grand Total (1+11)</b>	<b>8,906.51</b>	<b>1.79</b>	<b>170.55</b>	<b>(141.87)</b>	<b>(8,327.27)</b>	<b>609.71</b>	<b>2,717.78</b>	<b>56.87</b>	<b>(21.28)</b>	<b>(2,605.40)</b>	<b>149.63</b>	<b>460.09</b>	<b>6,188.72</b>	

Material Intangible Assets

Asset Class	Asset Description	Carrying Value		Remaining useful life as on March 31, 2023
		as at 31 March 2023	as at 31 March 2022	
Product-related Intangibles - Brands and Trademarks	Brands and trademarks	-	269.94	N.A
Product-related Intangibles - Brands and Trademarks	Purchased Brands	-	1,698.80	N.A
Customer Relations	Purchased Brands	-	41.02	N.A
Product-related Intangibles - Copyrights, Know-hows and Intellectual property rights	Purchased Brands	-	163.97	N.A

# Depreciation for the year includes depreciation amounting to Nil (Previous Year: Rs. 7.88 Crores) on assets used for Research and Development locations at Ennore and Mumbai

All immovable properties are held in the name of the Group company except for certain assets which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited (wholly-owned subsidiary).

<sup>^</sup> During the previous year, the Group has a 25% share in joint ownership of Helicopter. There has been no revaluation of property, plant and equipment ("PPE") and intangibles during the year ended 31 March 2023.

The carrying amount of the intangible assets represent the Group's best estimate of the recoverable amounts.

Refer Note 43B for the contractual capital commitments for purchase of Property, Plant & Equipment

Refer Note 45 for the assets mortgaged as security against borrowings

Ageing for Intangible Assets under Development (IAUD) as at March 31, 2023 <sup>^</sup>

Intangible assets under Development (IAUD)	Amount in IAUD for a period of			Total
	Less than 1 year	1 to 2 years	More than 3 years	
a. Projects in progress	6.17	0.08	-	6.25

<sup>^</sup> There are no projects which are delayed from its original planned cost or time.





13 Property, plant & equipment and intangible assets

Particulars	Gross block						Depreciation, amortisation and impairment				Net block		
	Opening as at 1 April 2021	Acquisitions (refer note 66)	Additions	Deletions/ Adjustments	Exchange Differences	As at 31 March 2022 (A)	Opening as at 1 April 2021	For the year # **	Deletions/ Adjustments	Exchange Differences	As at 31 March 2022 (B)	As at 31 March 2022 (A-B)	As at 31 March 2021 (A-B)
<b>(a) Property, Plant &amp; Equipment</b>													
Freehold land	128.09	-	1.34	-	0.34	129.77	0.69	0.38	-	0.04	1.11	128.66	127.40
Buildings	1,089.40	374.31	164.06	-	10.04	1,637.81	137.26	49.08	-	1.17	187.51	1,450.30	952.14
Roads	5.01	-	-	-	0.07	5.08	2.35	0.31	-	0.03	2.69	2.39	2.66
Plant & Equipments	2,621.79	28.22	361.13	(46.57)	37.69	3,002.26	1,037.94	284.59	(12.28)	15.08	1,325.33	1,676.93	1,583.85
Furniture & fixtures	77.87	0.16	8.79	(0.29)	0.76	87.29	42.59	9.91	(0.22)	0.36	52.64	35.28	35.28
Office equipments	41.66	0.29	6.95	(0.04)	0.05	48.91	22.96	7.30	(0.03)	0.02	30.25	18.66	18.70
Ships	0.88	-	-	-	-	0.88	0.53	0.09	-	-	0.62	0.26	0.35
Helicopter <sup>^</sup>	9.60	-	-	-	-	9.60	3.24	0.54	-	-	3.78	5.82	6.36
Motor vehicles	11.86	0.02	0.02	(1.45)	-	10.47	5.74	1.44	(1.46)	0.01	5.73	4.74	6.12
<b>Total (I)</b>	<b>3,986.16</b>	<b>403.00</b>	<b>542.29</b>	<b>(48.35)</b>	<b>48.97</b>	<b>4,932.07</b>	<b>1,253.30</b>	<b>353.64</b>	<b>(13.99)</b>	<b>16.71</b>	<b>1,609.66</b>	<b>3,322.40</b>	<b>2,732.86</b>
<b>(b) Intangible Assets (Acquired)</b>													
Customer relations*	126.80	-	-	-	3.94	130.74	44.11	11.75	-	1.11	56.97	73.77	82.69
Product-related Intangibles - Brands and Trademarks*	2,672.04	-	8.13	-	77.16	2,757.33	609.13	173.46	-	16.21	798.80	1,958.53	2,062.91
Product-related Intangibles - Copyrights, Know-hows and Intellectual property rights*	300.04	-	17.44	-	9.13	326.61	105.62	21.29	-	2.60	129.51	197.10	194.42
Computer Software (Including acquired databases)	130.48	-	44.66	-	1.09	176.23	59.44	20.75	-	0.46	80.65	95.58	71.04
<b>(c) Intangible Assets (Internally Generated)</b>													
Product Know-how	139.93	405.62	38.05	-	(0.07)	583.53	28.80	13.87	-	(0.48)	42.19	541.34	111.13
<b>Total (II)</b>	<b>3,369.29</b>	<b>405.62</b>	<b>108.28</b>	<b>-</b>	<b>91.25</b>	<b>3,974.44</b>	<b>847.10</b>	<b>241.12</b>	<b>-</b>	<b>19.90</b>	<b>1,108.12</b>	<b>2,866.32</b>	<b>2,522.19</b>
<b>Grand Total (I+II)</b>	<b>7,355.45</b>	<b>808.62</b>	<b>650.57</b>	<b>(48.35)</b>	<b>140.22</b>	<b>8,906.51</b>	<b>2,100.40</b>	<b>594.76</b>	<b>(13.99)</b>	<b>36.61</b>	<b>2,717.78</b>	<b>6,188.72</b>	<b>5,255.05</b>

\*\* Includes depreciation, amortisation and impairment of Rs.563.67 crores forming part of discontinuing operations

\* Material Intangible Assets

Asset Class	Asset Description	Carrying Value as at 31 March 2022	Carrying Value as at 31 March 2021	Remaining useful life as on March 31, 2022
Product-related Intangibles - Brands and Trademarks	Brands and trademarks	269.94	293.46	2 years to 15 years
Product-related Intangibles - Brands and Trademarks	Purchased Brands	1,698.80	1,738.77	16-21 years
Customer Relations	Purchased Brands	41.02	47.52	6 years
Product-related Intangibles - Copyrights, Know-hows and Intellectual property rights*	Purchased Brands	163.97	169.68	6 years

# Depreciation for the year includes depreciation amounting to Rs. 7.88 Crores (Previous Year Rs. 8.38 Crores) on assets used for Research and Development locations at Emore and Mumbai.

All immovable properties are held in the name of the Group company except for certain assets which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited (wholly-owned subsidiary)

<sup>^</sup> The Group has a 25% share in joint ownership of Helicopter

There has been no revaluation of property, plant and equipment ("PPE") and intangibles during the year ended 31 March 2022

Considering internal and external sources of information, the Group has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Group has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider (a) reassessment of the discount rates, (b) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis.

The carrying amount of the intangible assets represent the Group's best estimate of the recoverable amounts.



**13 Property, plant & equipment and intangible assets**

Refer Note 43B for the contractual capital commitments for purchase of Property, Plant & Equipment  
Refer Note 45 for the assets mortgaged as security against borrowings

**Ageing for Capital work in-progress (CWIP) as at 31 March 2022**

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

\*Above disclosure includes entities in the Group having balance of more than 10% of total capital work in progress.

**Project wise details of CWIP project whose completion is overdue or has exceeded its cost compared to its original plan. ^ ^**

As at 31 March 2022

Capital work in-progress (CWIP)	To be completed in			Total
	Less than 1 year	1 to 2 years	More than 3 years	
<b>Projects in progress</b>				
1. Project 1	-	131.68	-	131.68
2. Project 2	64.11	-	-	64.11
3. Project 3	19.36	-	-	19.36

^ Above disclosure includes material projects which are delayed from its original planned cost or time

\* Delays in project is mainly on account of COVID pandemic

**Ageing for Intangible Assets under Development (IAUD) as at 31 March 2022 ^**

Intangible assets under Development (IAUD)*	Amount in IAUD for a period of			Total
	Less than 1 year	1 to 2 years	2 to 3 years	
a. Projects in progress	264.62	40.91	34.56	80.74
				420.83

\*Above disclosure includes entities in the Group having balance of more than 10% of total Intangibles under development.

^ There are no material projects which are delayed from its original planned cost or time.





	As at	
	31 March 2023	31 March 2022
<b>14 Other non-financial assets</b>		
Advances:		
Unsecured, considered good	40.54	218.69
Unsecured, considered doubtful	-	1.46
Less: Provision for doubtful advances	-	(1.46)
	<hr/> 40.54	<hr/> 218.69
Advance processing fees paid	142.95	159.31
Less: Provision for doubtful advances	(133.99)	-
	<hr/> 8.96	<hr/> 159.31
Balance with government authorities	364.39	643.02
Prepayments	18.07	98.74
Capital advances	9.66	11.28
Claims receivables	-	6.89
Pension assets (Refer note 54)	4.50	0.34
Others	8.60	-
	<hr/> <hr/> <b>454.72</b>	<hr/> <hr/> <b>1,138.27</b>



**Piramal Enterprises Limited**  
**Notes to the consolidated financial statements (Continued)**  
For the year ended 31 March 2023  
(Currency : Rs in crores)

**15 Trade payables**

	As at	
	31 March 2023	31 March 2022
Total outstanding dues of micro enterprises and small enterprises	3.81	53.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	395.46	1,643.64
	<b>399.27</b>	<b>1,696.93</b>

Refer Note 73 for the ageing schedule of trade payables

**16 Debt securities**

**Secured - at amortised cost**

Redeemable non-convertible debentures

	As at	
	31 March 2023	31 March 2022
	29,846.17	34,031.21
	<b>29,846.17</b>	<b>34,031.21</b>

**Particulars**  
**Out of above**  
(I) In India  
(II) Outside India

	As at	
	31 March 2023	31 March 2022
	29,846.17	34,031.21
	-	-
	<b>29,846.17</b>	<b>34,031.21</b>



16 Debt securities

Rate of interest, nature of security and term of repayment in case of secured debentures

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
1666 (Previous Year 3333) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 3 equal tranches starting from 30th July 2021	166.60	333.30	31-Jul-23	31-Jul-21
18,48,28,062 (Previous Year - 19,53,25,290) (payable semi annually) 6.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value 925 (Previous Year Rs 975)	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable at 2.5% semi-annually for first 5 years and at 7.5% semi-annually for the next 5 years from the date of allotment	17,096.60	19,044.22	26-Sep-31	28-Mar-22
8125 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 800000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years three months from the date of allotment	-	650.00	15-Apr-22	NA
625 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 800000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years three months from the date of allotment	-	50.00	21-Apr-22	NA
1750 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	175.00	19-May-22	NA
1500 (payable annually) 9.5% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	-	150.00	16-Sep-22	NA
1500 (payable on maturity) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	150.00	7-Oct-22	NA
509 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 22 months from the date of allotment	-	50.90	23-Jan-23	NA
1700 (payable on maturity) 8.25% Secured, Rated, Listed, Redeemable Principal Protected Market Linked Non-Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 24 months from the date of allotment	170.00	170.00	14-Apr-23	NA
2500 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	250.00	250.00	12-May-23	NA
3250 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 35 months from the date of allotment	325.00	325.00	31-May-23	NA
495486 (payable on maturity) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	49.55	49.55	23-Sep-23	NA





16 Debt securities

Rate of interest, nature of security and term of repayment in case of secured debentures

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
52480 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	5.25	5.25	23-Sep-23	NA
3466413 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	346.64	346.64	23-Sep-23	NA
12300 (payable on maturity) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	1.23	1.23	23-Sep-23	NA
250 (payable annually) 9.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 1826 days from the date of allotment	25.00	25.00	2-Nov-23	NA
1800 (payable semi annually) 10% Secured, Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	900 NCD's are repayable after 53 months from the date of allotment & balance 900 after 65 months from the date of allotment.	180.00	180.00	8-Nov-24	8-Nov-23
50 (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2555 days from the date of allotment	5.00	5.00	8-Mar-24	NA
250 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2556 days from the date of allotment	25.00	25.00	3-May-24	NA
13770 (payable annually) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 36 months from the date of allotment	1.38	1.38	23-Jul-24	NA
1542637 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 36 months from the date of allotment	154.26	154.26	23-Jul-24	NA
20000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal instalments starting from 12 June 2025	2,000.00	2,000.00	12-Mar-26	12-Jun-25
20500 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal install nets starting from 19 June 2025	2,050.00	2,050.00	19-Mar-26	19-Jun-25
5000 (payable monthly) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments : 8th year-167 crore, 9th year-167crore, 10th year-166 crore	500.00	500.00	20-Sep-27	19-Sep-25
350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 2555 days from the date of allotment	35.00	35.00	3-Oct-25	NA
107455 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 60 months from the date of allotment	10.75	10.75	23-Jul-26	NA





16 Debt securities

Rate of interest, nature of security and term of repayment in case of secured debentures

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
808680 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 60 months from the date of allotment	80.87	80.87	23-Jul-26	NA
5000 (payable annually) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are redeemable at par in three instalments. 8th year-167 crore, 9th year-167crore, 10th year-166 crore	500.00	500.00	19-Dec-28	18-Dec-26
15000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 3 equal instalment of Rs 500 crs each payable after 8th year, 9th year, 10th year from the date of allotment	1,500.00	1,500.00	9-Mar-29	11-Mar-27
500 (payable annually) 9.32% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	50.00	50.00	1-Nov-30	NA
250 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	25.00	25.00	28-Mar-31	NA
200 (payable annually) 8.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	20.00	20.00	27-Jun-31	NA
1150 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 120 months from the date of allotment	0.12	0.12	23-Jul-31	NA
1540084 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 120 months from the date of allotment	154.01	154.01	23-Jul-31	NA
Nil (previous year - 1,100) 10.25% Secured, Rated, Unlisted, Redeemable Non Convertible Debentures each having face value of Rs. 1,000,000	A first ranking pari-passu charge hypothecation/ pledge over the identified financial assets of the company including all receivables therefrom	The NCD's are repayable in 24 months and 15 days from the date of allotment	-	1,100.00	30-Dec-22	30-Dec-21
Nil (previous year - 275) 10.25% Secured, Rated, Unlisted, Redeemable Non Convertible Debentures each having face value of Rs. 1,000,000	A first ranking pari-passu charge hypothecation/ pledge over the identified financial assets of the company including all receivables therefrom	The NCD's are repayable in 23 months and 1 day from the date of allotment	-	275.00	30-Dec-22	30-Dec-21
50 (Previous Year - 50) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures each having face value of Rs.1,000,000	Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation	The amount of Rs 5 Crores is redeemable at par at the end of 3650 days from the date of allotment	5.00	5.00	17-Jul-26	NA
350 (Previous Year - 350) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures each having face value of Rs.1,000,000	Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation	The amount of Rs 35 Crores is redeemable at par at the end of 3652 days from the date of allotment	35.00	35.00	14-Jul-26	NA



16 Debt securities

Rate of interest, nature of security and term of repayment in case of secured debentures

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
5,000 (Previous Year : 5,000) 8.55% Secured Rated Listed Redeemable Non Convertible Debentures each having face value of Rs 1,000,000	Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation	The amount of Rs 500 Crores is redeemable at par at the end of 1093 days from the date of allotment. The interest is payable annually.	500.00	500.00	19-May-23	NA
Nil (Previous Year : 19,425) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures each having face value of Rs 1,000,000	First ranking exclusive pledge over the certain shares of Piramal Pharma Limited. First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited and certain assets including PCHFL ICD and first ranking pari passu charge over the receivables, investments and other current assets of PCHFL in favour of the Debenture Trustee.	The amount of Rs 1942.50 Crores is redeemable at par at the end of 1096 days from the date of allotment.	-	1,942.50	26-Jun-23	NA
Nil (Previous Year : 760) 9.50% Secured Rated Unlisted Redeemable Non Convertible Debentures each having face value of Rs 1,000,000	First ranking exclusive pledge over the certain shares of Piramal Pharma Limited and First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited in favour of the Debenture Trustee. First ranking pari passu charge by way of hypothecation over inter-corporate deposits granted to PCHFL.	The amount of Rs 76 Crores is redeemable at par at the end of 1,095 days from the date of allotment.	-	76.00	07-Jul-23	NA
3,650 (Previous Year : 3,650) 8.25% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company.	The amount of Rs 365 Crores is redeemable at par at the end of 730 days from the date of allotment.	365.00	365.00	28-Jun-23	NA
500 (Previous Year : 500) 8.25% Secured Rated Listed Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company.	The amount of Rs 50 Crores is redeemable at par at the end of 723 days from the date of allotment.	125.00	50.00	28-Jun-23	NA
Nil (Previous Year : 1,020) 8.15% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company.	The amount of Rs 102 Crores is redeemable at par at the end of 549 days from the date of allotment.	-	102.00	12-Jan-23	NA

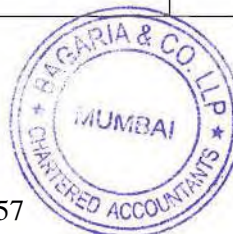




16 Debt securities

Rate of interest, nature of security and term of repayment in case of secured debentures

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
4,000 (Previous Year: 4,000) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 400 Crores is redeemable at par at the end of 912 days from the date of allotment	400.00	400.00	27-Mar-24	NA
1,250 (Previous Year: 1,250) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 125 Crores is redeemable at par at the end of 915 days from the date of allotment	125.00	125.00	02-Sep-24	NA
1,750 (Previous Year: 1,750) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 175 Crores is redeemable at par at the end of 889 days from the date of allotment	175.00	175.00	02-Sep-24	NA
1,000 (Previous Year: Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 100 Crores is redeemable at par at the end of 915 days from the date of allotment	100.00	-	04-Nov-24	NA
1,000 (Previous Year: Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 100 Crores is redeemable at par at the end of 731 days from the date of allotment	100.00	-	24-May-24	NA

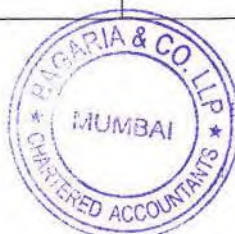




16 Debt securities

Rate of interest, nature of security and term of repayment in case of secured debentures

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
700 (Previous Year : Nil)- 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 70 Crores is redeemable at par at the end of 679 days from the date of allotment.	70.00	-	24-May-24	NA
750 (Previous Year : Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 75 Crores is redeemable at par at the end of 661 days from the date of allotment.	75.00	-	24-May-24	NA
1000 (Previous Year : Nil)- 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 100 Crores is redeemable at par at the end of 540 days from the date of allotment.	100.00	-	24-May-24	NA
2150 (Previous Year : Nil)- 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 215 Crores is redeemable at par at the end of 731 days from the date of allotment.	215.00	-	20-Sep-24	NA
503 (Previous Year : Nil)- 8.10% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 50.30 Crores is redeemable at par at the end of 973 days from the date of allotment.	50.30	-	23-May-25	NA



**16 Debt securities**

**Rate of interest, nature of security and term of repayment in case of secured debentures**

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
505 (Previous Year Nil)- 8.10% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs 1,000,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 50.50 Crores is redeemable at par at the end of 926 days from the date of allotment.	50.50	-	23-May-25	NA
10000 (Previous Year Nil) - 8.50% Rated, Unlisted, Secured, Redeemable Non-Convertible Debentures each having face value of Rs 1,000,000	First ranking pari passu charge over standard receivables of the Company and pledge over listed shares Shriram Finance Limited and all unlisted shares of Shriram GI Holdings Pvt. Ltd, held by the Borrower (to be held on a pari passu basis along with Existing SCB Facility and Additional Borrowing).	The amount of Rs 1000 Crores is redeemable at par at the end of 364 days from the date of allotment	1,000.00	-	06-Nov-23	NA
5000 (Previous Year Nil)- 8.60% Rated, Unlisted, Secured, Redeemable Non-Convertible Debentures each having face value of Rs 1,000,000	First ranking pari passu charge over standard receivables of the Company and pledge over listed shares Shriram Finance Limited and all unlisted shares of Shriram GI Holdings Pvt. Ltd, held by the Borrower (to be held on a pari passu basis along with Existing SCB Facility and Additional Borrowing).	The amount of Rs 500 Crores is redeemable at par at the end of 364 days from the date of allotment	500.00	-	30-Jan-24	NA
10000 (Previous Year Nil)- 8.75% Secured, Rated, Listed, Redeemable, Non-convertible Debentures each having face value of Rs 1,00,000	First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments), and (iii) current assets and/or financial assets, except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	The amount of Rs 100 Crores is redeemable at par at the end of 1176 days from the date of allotment	100.00	-	29-May-26	NA
Nil (Previous Year 2000) (Payable Annually) 7.50% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs 1,000,000	First pari- passu charge over pool of selected tangible and intangible assets	The amount of Rs. 200 Crores is redeemable at par in equal annual repayment at the end of 3rd, 4th and 5th year from the date of drawdown with a put and call option at the end of 3 years and 4 years	-	200.00	31-Mar-26	NA

The coupon rate for the above debentures are in the range of 6.75% to 10.25% per annum (Previous year: 6.75% to 10.25% per annum )  
Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings







17 Borrowings (other than debt securities)

Terms of repayment, nature of security & rate of interest

A. Secured Term Loans from Banks

Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in nineteen quarterly instalments commencing after a moratorium period of 3 months from the date of drawdown	2.28	44.33	28-May-23	31-Aug-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment in equal half yearly instalments	-	12.50	20-Apr-22	20-Oct-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date	-	101.14	28-Dec-22	28-Nov-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 47 equal monthly instalment of Rs. 10.42 Crs each and 48th installment of Rs. 10.50 Crs after drawdown	-	85.62	29-Dec-22	29-Jan-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 47 equal monthly instalment of Rs. 10.42 Crs each and 48th installment of Rs. 10.50 Crs after drawdown	-	96.45	2-Feb-23	2-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight half yearly instalments commencing after initial moratorium period of 12 months	-	27.48	25-Mar-23	26-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight half yearly instalments commencing after 12th month from the drawdown date	-	24.44	25-Mar-23	26-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date	-	68.83	28-Aug-22	28-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve quarterly instalments Commencing from 25th month from date of drawdown	-	125.00	9-Jun-22	9-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 16 equal quarterly instalment after moratorium period of three year from drawdown date	548.44	675.00	17-May-26	17-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principle in 16 quarterly instalment of Rs. 6.23 Crs after moratorium period of 3 months from the date of 1st drawdown	25.00	49.72	27-Sep-23	27-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principle in 18 quarterly instalment after moratorium period of 6 months from the date of 1st drawdown	444.43	888.90	19-Jan-24	31-Jul-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principle in 12 quarterly instalment of Rs. 41.67 Crs after moratorium period of 6 months from the date of 1st drawdown	-	124.52	26-Nov-22	26-Aug-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve equal quarterly instalments commencing from 25 months from date of drawdown	-	29.31	27-Jun-22	30-Sep-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date	-	61.00	30-Sep-22	30-Sep-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 18 equal quarterly instalments fier the moratorium period of 6 months from the drawdown date	177.17	288.29	24-Dec-24	29-Jun-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date	-	75.85	31-Dec-22	30-Jun-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 60 months in 9 equal half yearly instalments commencing after initial moratorium of 6 months	-	164.03	19-Sep-24	16-Sep-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 12 equal quarterly instalment after moratorium period of one year from drawdown date	-	27.35	26-Mar-23	26-Sep-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan to be repaid in 19 equal quarterly instalments starting from 1 quarter from date of first disbursement	210.59	315.92	31-Mar-25	30-Sep-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan repayment in 16 equal quarterly instalments after a moratorium period of 1 year	192.71	292.79	26-Dec-24	26-Mar-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan repayment in 24 equal quarterly instalments after a moratorium period of 1 year	333.17	416.52	30-Jan-27	29-Mar-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of Principle in 12 equal quarter instalment of Rs. 25 Crs after moratorium period of the 2 years from the date of drawdown	99.78	199.79	26-Mar-24	30-Jun-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments	447.38	597.38	30-Mar-26	30-Jun-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year	280.79	374.63	2-Apr-25	3-Jul-21





17 Borrowings (other than debt securities)

Terms of repayment, nature of security & rate of interest

A. Secured Term Loans from Banks

Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan repayment in 24 quarterly installments post moratorium period of 1 year	1,352.50	1,912.50	4-Apr-27	4-Jul-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year.	-	87.48	31-Aug-25	30-Nov-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments	350.00	449.89	28-Sep-26	27-Dec-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year.	34.36	46.86	11-Dec-25	11-Mar-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly instalments	240.62	328.12	28-Dec-25	28-Mar-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 28 equal quarterly instalments	205.35	241.07	29-Dec-28	31-Mar-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments after the moratorium period of 24 months from the drawdown date	166.73	208.66	31-Mar-27	17-Jun-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eighteen quarterly installments of 8 crs each and last installment of 6 crs after a holiday period of 3 months from date of drawdown	118.00	150.00	24-Dec-26	27-Jun-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly instalments.	66.67	100.00	30-Mar-25	30-Jun-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments.	159.99	200.00	30-Mar-27	30-Jun-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 18 months from drawdown date	-	167.00	11-Jul-22	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly installments from date of drawdown	300.00	-	12-May-25	13-Aug-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in ten quarterly installments with moratorium period of 6 months from date of drawdown	174.99	250.00	30-Nov-24	31-Aug-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 19 quarterly installments with moratorium period of 3 months from date of drawdown	63.16	75.00	30-Mar-27	30-Sep-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 19 quarterly installments with moratorium period of 3 months from date of drawdown	252.63	300.00	30-Mar-27	30-Sep-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 16 quarterly installments with moratorium period of 6 months from date of drawdown	87.50	100.00	30-Sep-26	31-Dec-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 20 equal quarterly installments	47.50	-	31-Oct-27	31-Jan-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 20 quarterly installments from the end of the quarter of the first disbursement	94.98	-	31-Oct-27	31-Jan-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight half yearly installments after a moratorium period of 1 year from date of drawdown	131.21	149.96	31-Aug-26	28-Feb-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 20 equal quarterly instalments from the end of the quarter of the first disbursement	712.50	-	19-Dec-27	19-Mar-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	18 equal quarterly instalments after 6M moratorium	196.44	-	30-Jun-27	31-Mar-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in quarterly instalments over a period 15 years with NIL moratorium	49.16	-	30-Dec-37	31-Mar-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 120 Equated Monthly Instalments	750.00	-	1-Mar-33	1-May-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Bullet payment on maturity	250.00	-	25-May-23	25-May-23





17 Borrowings (other than debt securities)

Terms of repayment, nature of security & rate of interest

A. Secured Term Loans from Banks

Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 24 months from drawdown date	-	230.00	26-May-23	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	18 equal quarterly instalments after 6M moratorium	267.00	-	26-Sep-27	26-Jun-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 24 quarterly instalments with moratorium period of 1 year from date of drawdown	200.00	200.00	29-Mar-29	30-Jun-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 18 months from drawdown date	-	175.00	20-Jun-23	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	9 equal quarterly install after 9 month moratorium	100.00	-	4-Aug-25	4-Aug-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly instalments after 1 year moratorium	230.00	-	30-May-26	31-Aug-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly instalments after 1 year moratorium	175.00	-	2-Jun-26	2-Sep-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	12 equal quarterly install after 1 year moratorium	167.00	-	31-Jul-26	31-Oct-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 14 quarterly instalments with moratorium period of 18 months from date of drawdown	500.00	500.00	7-Mar-27	7-Dec-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	16 equal quarterly instalments after 12 month moratorium	50.00	-	30-Sep-27	31-Dec-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Bullet payment on maturity	300.00	-	17-Jan-24	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 24 months from drawdown date	-	250.00	3-Mar-24	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 quarterly instalments with moratorium period of 1 year from date of drawdown	250.00	-	9-Mar-27	9-Jun-24
Secured by pari passu charge over unsold portion of Wing A, Piramal Agastya Corporate Park (Phase I) along with the land corresponding to it, located at Kurla.	Repayable in 144 months from drawdown date	621.39	-	15-Dec-34	NA
First pari passu charge over Hypothecated assets as set out in the transaction documents	Repayable in 12 quarterly instalments starting from 30th June 2023	250.00	400.00	31-Mar-26	30-Jun-23
First pari passu charge over Hypothecated assets as set out in the transaction documents	Repayable at the end of 2nd year from date availed	100.00	-	30-Sep-23	NA
First pari passu charge over Hypothecated assets including other securities as set out in the transaction documents	Repayable at the end of 1st year from date availed	750.00	-	30-Nov-23	NA
First pari passu charge over Hypothecated assets including other securities as set out in the transaction documents	Repayable at the end of 1 year from the date availed	500.00	-	28-Mar-24	NA
First pari passu charge over Hypothecated assets as set out in the transaction documents	Repayable in 16 quarterly equal instalments starting from 31-12-2023	200.00	-	30-Sep-27	31-Dec-23
First pari passu charge over Hypothecated assets as set out in the transaction documents	Repayable in 14 equal quarterly instalments starting from 31-12-2023	250.00	-	31-Mar-27	31-Dec-23
First pari passu charge over Hypothecated assets as set out in the transaction documents	Repayable in 12 equal quarterly instalments starting from 30-06-2024	50.00	-	31-Mar-27	30-Jun-24
JP Morgan Term Loan - All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan	Repayment in 20 quarterly instalments from Sept 2019 with lump sum payment at end of 5 years. Option to renew another 5 years	-	769.34	30-Sep-24	30-Sep-19
JP Morgan Term Loan - All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan	Repayment in quarterly instalments from June 2022 with lump sum payment at end of 5 years. Option to renew another 5 years	-	189.49	30-Jun-27	30-Jun-22
PNC Term Loan - vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from June 2019	-	13.90	30-Jun-24	30-Jun-19
City National Bank Florida Term Loan - vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Aug 2019	-	10.15	31-Aug-24	31-Aug-19





17 Borrowings (other than debt securities)

Terms of repayment, nature of security & rate of interest

A. Secured Term Loans from Banks

Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Jun 2020	-	5.43	30-Jun-25	NA
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Sep 2020	-	7.34	30-Sep-25	NA
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Sep 2020	-	12.41	30-Sep-25	NA
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Nov 2020	-	25.08	30-Jan-25	NA
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Jan 2021	-	14.70	30-Jan-26	NA
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Feb 2021	-	11.46	28-Feb-26	NA
Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Feb 2021	-	5.85	28-Feb-26	NA
Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Apr 2021	-	8.73	30-Apr-26	NA
First Ranking security over assets over Piramal Dutch Holdings N.V to ensure asset coverage ratio 1.05x	Repayable in 14 structured instalments after moratorium of 18 months from the first draw down date	-	506.10	30-Sep-22	NA
Charge on brands acquired on exclusive basis	Repayable in 13 quarterly instalments of \$ 5.29 Mn starting March 2022, followed by a lumpsum payment of \$ 46.23 Mn in June 2025	-	831.46	30-Jun-25	NA
First ranking security over assets of PEL Pharma Inc.	Repayable in 14 structured instalments after moratorium of 18 months from the first draw down date	-	289.20	30-Sep-22	NA
First pari passu on entire FA (movable and immovable) of borrower, present and future. First charge on CA of borrower, present and future	Repayable in 20 Quarterly instalments from Feb 2019	-	35.00	28-Feb-24	NA
First pari passu on entire FA (movable and immovable) of borrower, present and future. Second First pari passu charge on CA of borrower, present and future	Repayable in 30 Quarterly instalments from Dec 2022	-	17.57	30-Jun-30	NA
First ranking pari passu charge on identified Tangible Assets and an exclusive charge over identified Intangible Assets	Repayable on May 31, 2023	-	500.00	31-May-23	NA

The contractual rate of interest for the above loans are in the range of 6.50% to 10.15% per annum (Previous year : 2.79 % (GBP LIBOR+2.6%) per annum to 9.40% per annum)  
Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings  
There are no material discrepancies between amount of current assets submitted to banks and financial institutions in quarterly returns and amount as per books of accounts.

B. Foreign Currency Non Repatriable Loans:

Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge on the standard assets including receivables present and future	Repayable after 53 months from drawdown date	308.16	261.32	14-Jun-23	NA
First pari-passu charge on the standard assets including receivables present and future	Repayable after 65 months from drawdown date	308.16	261.32	14-Jun-24	NA

The contractual rate of interest for the above loans is 9.30% per annum (Previous year : 9.30% per annum)  
Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

C. Securitised Borrowings

Nature of Security	Terms of repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date	First Instalment payment date
Specific loan cash flows & underlying that are part of the Assignment pool	Repayable in 356 months from drawdown date	46.57	72.78	20-Jul-49	20-Nov-19
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 188 months from drawdown date	28.70	40.90	31-Aug-35	11-Oct-19
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 99 months from drawdown date	-	60.45	20-Feb-28	20-Nov-19
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 292 months from drawdown date	254.13	-	13-Jun-47	13-Apr-23

The contractual rate of interest for the above loans are in the range of 8.20% to 8.90% per annum  
Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings





17 Borrowings (other than debt securities)

Terms of repayment, nature of security & rate of interest

D. Working Capital Demand Loan from banks/short term borrowings :

Nature of Security	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	-	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	-	50.00
JP Morgan Revolver Facility - All the assets (except carved out vaporizers financed through PNC Bank, City National Bank, Fifth Third Bank and Citizen Bank of Florida) of the Company are collateralized against the WCDL from JP Morgan Chase Bank	-	0.75
First pari-passu charge over entire current assets of the company, both present and future	-	30.00
First pari-passu charge over entire current assets of the company, both present and future	-	30.00
First pari-passu charge over entire current assets of the company, both present and future	-	35.00
First pari-passu charge over entire current assets of the company, both present and future	-	20.00
First pari-passu charge over entire current assets of the company, both present and future	-	25.00
First pari-passu charge over entire current assets of the company, both present and future	-	30.00
First pari-passu charge over entire current assets of the company, both present and future	-	30.00
Exclusive charge on current assets	-	42.12
First charge on current assets (receivables and/or Inventory)	-	7.43
Secured by trade receivables and Inventory for North American sites	-	39.79
Secured by first priority perfected security interest in and lien on trade receivables and Inventory for North American sites	-	24.63

The contractual rate of interest for the above loans are in the range of 7.10% to 7.90% per annum (Previous year: 2.15% to 7.90% per annum)  
Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

E. Working Capital Demand Loan from Others:

Nature of Security	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022
Exclusive charge on Government Securities	767.34	-
Exclusive charge on Government Securities & Treasury Bills	339.53	-

The contractual rate of interest for the above loans are in the range of 6.90% to 7.50% per annum  
Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

F. Packing credit loans

Particulars	Terms of Repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022
These are secured by first pari-passu charge over the company's Stocks & Receivables	Repayable on September 18, 2022	-	50.00
These are secured by first pari-passu charge over the company's Stocks & Receivables	Repayable on September 12, 2022	-	50.00
These are secured by first pari-passu charge over entire current assets of the company, both present and future	Repayable on June 24, 2022	-	40.00
These are secured by first pari-passu charge over entire current assets of the company, both present and future	Repayable on June 10, 2022	-	50.00

The contractual rate of interest for the above loans are in the range of Nil (Previous year: 2.15% to 7.90% per annum)  
Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

G. Overdraft with banks

Description of loan	Terms of repayment	Rate of Interest	
		31 March 2023	31 March 2022
Overdraft with banks	At Call	NA	2.10% per annum

Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

H. Commercial Papers

Particulars	Terms of Repayment	Principal Outstanding as at 31 March 2023	Principal Outstanding as at 31 March 2022	Maturity Due Date
Commercial Papers	Repayable within 365 days from date of disbursement	3,387.90	2,319.67	Various dates

The effective costs for the above loans are in the range of 7.20% to 9.05% per annum



**Piramal Enterprises Limited**  
**Notes to the consolidated financial statements (Continued)**  
For the year ended 31 March 2023  
(Currency : Rs in crores)

18 Deposits	As at	
	31 March 2023	31 March 2022
<b>Unsecured</b>		
Intercorporate deposit from others	71.96	-
	<u>71.96</u>	<u>-</u>

**Maturity profile of deposits**

Maturities	<1 year	1-3 years	Total
Rate of Interest			
8.55%	71.96	-	71.96
<b>Total</b>	<b>71.96</b>	<b>-</b>	<b>71.96</b>

19 Subordinated debt liabilities	As at	
	31 March 2023	31 March 2022
<b>Unsecured - at amortised cost</b>		
Redeemable non-convertible debentures	126.88	126.60
	<u>126.88</u>	<u>126.60</u>

Particulars	As at	
	31 March 2023	31 March 2022
<b>Out of above</b>		
(I) In India	126.88	126.60
(II) Outside India	-	-
	<u>126.88</u>	<u>126.60</u>

Particulars	Terms of repayment	Maturity Due Date	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
1,276 (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	The NCDs are repayable after 10 years from the date of allotment	08-Mar-27	127.60	127.60

The rate of interest for the above loans is 9.55% per annum





**Piramal Enterprises Limited**  
**Notes to the consolidated financial statements (Continued)**

For the year ended 31 March 2023

(Currency : Rs in crores)

20 Other financial liabilities	As at	
	31 March 2023	31 March 2022
Lease liabilities (Refer note 49)	238.90	251.98
Unclaimed Dividend #	16.84	18.18
Employee related liabilities	145.12	284.01
Contingent consideration at FVTPL	-	89.92
Capital creditors	-	3.27
Security deposits received	21.58	5.22
Payable to related parties (Refer note 55(3))	-	0.01
Retention money deposits	-	0.35
Payable on Securitised Loans	632.48	547.19
Interest accrued and due on borrowings	2.46	-
Other payables *	627.40	221.30
<b>TOTAL</b>	<b>1,684.78</b>	<b>1,421.43</b>

\*( includes liability towards sold portfolio etc.)

During the year ended 31 March 2023, PCHFL, wholly owned subsidiary, has recovered Rs. 309.14 crores from 6 parties, against whom Avoidance Applications were filed by the Administrator, by way of settlement agreements entered by the entity with these parties under Section 7 of Insolvency and Bankruptcy Code, 2016 as full and final settlement of financial dues and withdrawal of all pending cases against these parties in connection with the disputes and / or finance documents and / or financial debt, if any, before any forum / court / tribunal / authority and / or otherwise, under any / all applicable laws. The Group is of the view that these amounts are not required to be paid to Committee of Creditors (CoC) and continues to pursue for recovery against these parties w.r.t. Avoidance Application filed by the administrator. However, considering the complexity of the matter, amount of Rs. 274.95 crores (after adjustment of recovery against Section 66) has not been recognized as income and shown as liability in financial statements.

# In previous year, amount of Rs.0.53 crores of unclaimed dividend which was due for payment to the investor education and protection fund under section 125 of the Companies Act 2013 was paid during the year.

Pursuant to the corporate insolvency resolution process initiated by the Reserve Bank of India (RBI) in PCHFL(i.e. the erstwhile Dewan Housing Finance Corporation Limited (DHFL) and the subsequent order of the Hon'ble National Company Law Tribunal (NCLT), a Moratorium was imposed on DHFL in terms of the Insolvency and Bankruptcy Code, 2016 (Code) w.e.f. from 3 December 2019.

On account of Moratorium, alienation of any assets of DHFL was prohibited until the completion of the insolvency process. Consequently, the Administrator decided that the amount lying in the bank accounts of DHFL (including unclaimed dividend accounts) shall not be alienated or transferred in any manner, and that any such alienation/transfer, while Moratorium is in force, would result in violation of Section 14 of the Code. Further, all bank accounts of DHFL, including unclaimed dividend accounts, were frozen for any debit transactions.

The implementation of the insolvency resolution plan, as approved by the NCLT, was completed on 30 September 2021 and the new board of directors was instated on 30 September 2021 subsequent to which PCHFL was able to take practical steps to reactivate the relevant unclaimed dividend accounts.

As on 31 March 2023, the Group is in compliance of requirements and there is no delays.

21 Current tax liabilities (net)	As at	
	31 March 2023	31 March 2022
Provision for Income Tax [Net of Advance Tax of Rs. 1,905.64 Crores as on 31 March 2023: (Previous year: 875.74 Crores )]	721.16	3,630.08
	<b>721.16</b>	<b>3,630.08</b>



**Piramal Enterprises Limited**  
**Notes to the consolidated financial statements (Continued)**

For the year ended 31 March 2023

(Currency : Rs in crores)

**22 Provisions**

	As at	
	31 March 2023	31 March 2022
Provision for employee benefits #	40.74	89.49
Provision for Onerous contracts *	-	0.08
Provision for Litigations & Disputes *	3.50	3.50
Provision for Expected Credit Loss on Loan Commitments / Letter of Credit (Refer Note 57(f))	78.26	113.72
	<b>122.50</b>	<b>206.79</b>

# Refer Note 54 for movements during the year

\* Refer Note 51 for movements during the year

**23 Deferred tax liabilities (net)**

	As at	
	31 March 2023	31 March 2022
<b>(a) Deferred Tax Liabilities on account of temporary differences</b>		
- Property, Plant and Equipment and Intangible assets	-	281.45
- Fair Valuation of derivative contracts	-	1.76
- Others	-	3.00
	<b>-</b>	<b>286.21</b>
<b>(b) Deferred Tax Asset on account of</b>		
- Other Provisions	-	1.98
- Unused tax credits / losses	-	17.40
- Expenses that are allowed on payment	-	74.63
	<b>-</b>	<b>94.01</b>
	<b>-</b>	<b>192.20</b>

**24 Other non- financial liabilities**

	As at	
	31 March 2023	31 March 2022
Advances received	140.43	109.18
Statutory dues	42.13	96.31
Deferred revenue	-	86.99
Deferred grant related to assets	-	3.54
Other grants related to assets	-	141.56
	<b>182.56</b>	<b>437.58</b>





**Piramal Enterprises Limited**  
**Notes to the consolidated financial statements (Continued)**

For the year ended 31 March 2023

(Currency : Rs in crores)

25 Equity share capital	As at	
	31 March 2023	31 March 2022
<b>Authorised Share Capital</b>		
400,000,000 (400,000,000) equity shares of Rs. 2/- each	80.00	80.00
3,000,000 (3,000,000) preference shares of Rs. 100/- each	30.00	30.00
24,000,000 (24,000,000) preference shares of Rs. 10/- each	24.00	24.00
105,000,000 (105,000,000) unclassified shares of Rs. 2/- each	21.00	21.00
	<b>155.00</b>	<b>155.00</b>
<b>Issued Capital</b>		
238,688,273 (238,688,273) Equity Shares of Rs.2/- each	47.74	47.74
	<b>47.74</b>	<b>47.74</b>
<b>Subscribed and paid up</b>		
238,663,700 (238,663,700) Equity Shares of Rs.2/- each (fully paid up)	47.73	47.73
	<b>47.73</b>	<b>47.73</b>

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

Particulars	As at		
	31 March 2023 Rs in crores	31 March 2022 No. of shares	31 March 2022 Rs in crores
At the beginning of the year	47.73	22,55,38,356	45.11
Add: Issued during the year (Refer Note 64)	-	1,31,25,344	2.62
At the end of the year	<b>47.73</b>	<b>23,86,63,700</b>	<b>47.73</b>

There are no equity shares due and outstanding to be credited to Investor Education and Protection Fund as at the year end

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

Particulars	As at		
	31 March 2023 % of holding	31 March 2022 No. of shares	31 March 2022 % of holding
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal	33.05%	7,88,77,580	33.05%

**(iii) Details of shareholding of Promoters in the Company**

Name of the Promoter	As at 31 March 2023			% change during the year
	No. of shares	% of total shares		
Ajay G. Piramal	1,23,296	0.05%		0.00%
Swati A Piramal	2,100	0.00%		0.00%
Anand Piramal	1,97,097	0.08%		0.00%
Nandini Piramal	45,487	0.02%		0.00%
Lalita G. Piramal	1,234	0.00%		0.00%
Peter DeYoung	1,08,000	0.05%		0.00%
Anya Piramal DeYoung	48,000	0.02%		0.00%
Master Dev Piramal Deyoung	48,000	0.02%		0.00%
Ajay G. Piramal (Karta of Ajay G Piramal HUF)	6,507	0.00%		0.00%
PRL Realtors LLP	89,73,913	3.76%		0.00%
The Ajay G Piramal Foundation	9,86,731	0.41%		0.00%
V3 Designs LLP	97,01,000	4.06%		0.00%
Anand Piramal Trust	1,39,327	0.06%		0.00%
Nandini Piramal Trust	1,22,740	0.05%		0.00%
Aasan Corporate Solutions Private Limited	20,13,875	0.84%		0.00%
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	23,85,806	1.00%		-0.01%
The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal)	7,88,77,580	33.05%		0.00%
	<b>10,37,80,693</b>	<b>43.48%</b>		<b>-0.01%</b>



**Piramal Enterprises Limited**  
**Notes to the consolidated financial statements (Continued)**

For the year ended 31 March 2023

(Currency : Rs in crores)

Name of the Promoter	As at 31 March 2022		% change during the year
	No. of shares	% of total shares	
Ajay G. Piramal	1,23,296	0.05%	0.00%
Swati A Piramal	2,100	0.00%	0.00%
Anand Piramal	1,97,097	0.08%	-0.01%
Nandini Piramal	45,487	0.02%	0.00%
Lalita G. Piramal	1,234	0.00%	0.00%
Peter DeYoung	1,08,000	0.05%	0.00%
Anya Piramal DeYoung	48,000	0.02%	0.00%
Master Dev Piramal Deyoung	48,000	0.02%	0.00%
Ajay G. Piramal (Karta of Ajay G Piramal HUF)	6,507	0.00%	-0.01%
PRL Realtors LLP	89,73,913	3.76%	-0.22%
The Ajay G Piramal Foundation	9,86,731	0.41%	-0.03%
V3 Designs LLP	97,01,000	4.06%	-0.24%
Anand Piramal Trust	1,39,327	0.06%	0.00%
Nandini Piramal Trust	1,22,740	0.05%	0.00%
Aasan Corporate Solutions Private Limited	20,13,875	0.84%	-0.05%
Piramal Welfare Trust (Formerly Piramal Enterprise)	24,05,828	1.01%	-0.09%
The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal)	7,88,77,580	33.05%	-1.92%
	<b>10,38,00,715</b>	<b>43.49%</b>	<b>-2.57%</b>

(iv) 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
Equity Shares of Rs.2 each allotted as fully paid-up pursuant to merger of Piramal Phytocare Limited into the	2019-20	3,05,865

(v) Terms and Rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed 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.

(vi) In the period of five years immediately preceding 31 March 2023:

The Holding company has not allotted any equity shares as bonus shares or not bought back any equity shares

(vii) Equity shares reserved for issue under ESOP Scheme - 7,70,022 Equity shares

26 Other equity	As at	
	31 March 2023	31 March 2022
Capital Reserve	116.55	116.55
Securities Premium	11,421.65	14,742.15
Capital Redemption Reserve	61.73	61.73
Debenture Redemption Reserve	-	2.00
General Reserve	5,714.60	5,714.60
Foreign Currency Translation Reserve	61.98	670.49
Reserve Fund U/S 45-IC (1) of Reserve Bank of India Act, 1934	710.01	225.74
Reserve Fund u/s 29C of the NHB Act, 1987	2,445.65	2,445.65
FVTOCI - Equity Instruments	(183.20)	93.09
FVTOCI - Debt Instruments	(78.70)	(65.69)
Cash Flow Hedging Reserve	3.81	3.96
Amalgamation Adjustment Reserve	(4,902.88)	(4,902.88)
Employee stock option reserve	0.06	-
Retained Earnings	15,640.09	16,334.02
	<b>31,011.35</b>	<b>35,441.40</b>

**Nature and purpose of other equity**

**Capital Reserve**

This reserve is outcome of business combinations carried out during previous years

**Securities Premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.





#### **Capital Redemption Reserve**

This reserve was created as per requirements of Companies Act 2013 pursuant to buyback of equity shares and redemption of preference shares.

#### **Debenture Redemption Reserve**

The Debenture redemption reserve was created in previous years, as per the requirements of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014. Debenture redemption reserve has not been created in respect of privately placed debentures in accordance with the Companies (Share Capital and Debentures) Rules, 2014.

#### **General Reserve**

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

#### **Foreign Currency Translation Reserve**

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

#### **Reserve Fund u/s 45-IC (1) of Reserve Bank of India Act, 1934**

Reserve Fund is required to be maintained u/s 45-IC(1) of the Reserve Bank of India Act, 1934 for Non Banking Financial Companies. During the year ended 31 March 2023, the Group has transferred an amount of Rs. 484.27 Crores (Previous year Rs. 85.06 Crores), being 20% of profit after tax computed in accordance with Ind AS.

#### **Reserve Fund u/s 29C of the NHB Act, 1987**

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended 31 March 2023, the Group has transferred an amount of Nil (Previous year Rs. 105.15 Crores), being 20% of profit after tax. Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies.

#### **FVTOCI - Equity Instruments**

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

#### **FVTOCI - Debt Instruments**

The Group has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. These changes are accumulated within the FVTOCI debt investments reserve within equity. The Group transfers amounts from this reserve to Consolidated statement of profit & loss when the relevant debt securities are derecognised.

#### **Cash Flow Hedging Reserve**

The Group uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to Consolidated 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 57(e)).

#### **Retained Earnings**

Retained earnings are the profits that Group has earned to date, less any dividends or other distributions paid to investors.

On 26 May 2022, a Dividend of Rs. 33 per equity share (Face value of Rs. 2/- each) amounting to Rs. 787.59 Crores has been recommended by the Board of Directors of the Holding Company which was approved of the Shareholders in annual general meeting on 29 July 2022.

On 5 May 2023, a Dividend of Rs. 31 per equity share (Face value of Rs. 2/- each) amounting to Rs. 739.86 Crores has been recommended by the Board of Directors of the Holding Company which is subject to approval of the Shareholders. The amounts calculated are based on the number of shares likely to be entitled for dividend as estimated on 5 May 2023.

#### **Amalgamation Adjustment Reserve**

Amalgamation adjustment reserve has been created on account of business combination (refer note 66(ii)).

#### **Employee stock option reserve**

Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Holding Company for employees of the Group.

For movement in other equity during the year, refer Statement of Changes in Equity.



	For the year ended	
	31 March 2023	31 March 2022
<b>27 Interest income</b>		
Interest income measured at amortised cost:		
- on investments	925.60	1,434.05
- on loans and advances	5,930.29	5,292.88
Interest income on investments measured at FVTPL	754.04	738.42
Interest income- on investments mandatorily measured at OCI	121.92	
Interest income on fixed deposits	66.77	57.43
	<u>7,798.62</u>	<u>7,522.78</u>

	For the year ended	
	31 March 2023	31 March 2022
<b>28 Dividend Income</b>		
Dividend income from		
- Investments	91.75	49.36
	<u>91.75</u>	<u>49.36</u>

Note : All dividends from equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period. There was no dividend income relating to investments derecognized during the reporting period

	For the year ended	
	31 March 2023	31 March 2022
<b>29 Rental Income</b>		
Rental income from premises	23.02	1.18
	<u>23.02</u>	<u>1.18</u>

	For the year ended	
	31 March 2023	31 March 2022
<b>30 Fees and commission Income #</b>		
- processing / arranger fees	180.27	45.61
- other operating income	107.16	61.77
- Guarantee commission	4.21	28.05
	<u>291.64</u>	<u>135.43</u>

# Refer note 60 for disaggregate revenue information

	For the year ended	
	31 March 2023	31 March 2022
<b>31 Sale of Services</b>		
Manpower and professional services	11.83	16.75
	<u>11.83</u>	<u>16.75</u>

	For the year ended	
	31 March 2023	31 March 2022
<b>32 Other income</b>		
Net gain on foreign currency transactions and translation	1.01	14.18
Net gain on sale of Property, Plant and Equipment	2.62	2.60
Provision no Longer Required, Written Back (net) (Refer note below)	2.91	47.69
Interest on income tax refund	47.07	-
Other non-operating income	98.83	120.92
	<u>152.44</u>	<u>185.39</u>

Note : Relates to write back of provisions for various expenses created in earlier years that is no longer required.

	For the year ended	
	31 March 2023	31 March 2022
<b>33 Finance costs</b>		
Interest expense measured at amortised cost:		
- Deposits	180.23	728.06
- Borrowings	1,319.94	1,272.88
- Debt securities	2,479.52	2,191.11
- Subordinated debts	12.47	31.39
- Others	2.16	1.65
	<u>3,994.32</u>	<u>4,225.09</u>





	For the year ended 31 March 2023	31 March 2022
<b>34 Fees and commission expense</b>		
Other borrowing cost	46.86	56.63
	<u>46.86</u>	<u>56.63</u>
<b>35 Net loss on fair value changes</b>		
<b>Net (gain) / loss on financial instruments at fair value through profit or loss</b>		
- Realised (gain)/loss on investments at FVTPL	(150.49)	(86.98)
- Unrealised (gain)/loss on investments at FVTPL	959.24	220.83
	<u>808.75</u>	<u>133.85</u>
<b>36 Net loss on derecognition of financial instruments under amortised cost category</b>		
Loss on derecognition of financial assets and liabilities (net) *	4,642.17	22.06
	<u>4,642.17</u>	<u>22.06</u>
*Includes the following:		
1. During the year, Piramal Capital & Housing Finance Limited, wholly owned subsidiary, had carried out buyback of 10,497,228 6.75% Non-convertible debentures having face value of Rs 950 with buyback prices of Rs 823.28 per debentures (including Accrued Interest of Rs 14.76). Due to such buyback, gain of Rs.129.36 crores was recognised as income on de-recognition of financial liability.		
2. Loss on derecognition of financial assets consists of loss arising from sale of loans and advances as well as technical write off as the Group has no reasonable expectations of recovery. The Group may apply enforcement activities to financial assets written off.		
<b>37 Impairment allowance / (reversals) on financial instruments</b>		
Loans	701.43	178.21
Investments	(828.84)	494.78
Others including undisbursed commitments	(28.45)	1.02
	<u>(155.86)</u>	<u>674.01</u>
<b>38 Employee benefits expense</b>		
Salaries and Wages*	822.71	474.94
Contribution to Provident and Other Funds (Refer Note 54)	60.17	21.66
Gratuity Expense (Refer Note 54)	9.18	8.54
Staff Welfare	37.99	7.50
	<u>930.05</u>	<u>512.64</u>
* Includes employee share based payments of Rs. 0.06 Crores (Previous year - Nil)		
<b>39 Depreciation, amortization and impairment</b>		
Depreciation / impairment on property, plant & equipment	42.89	353.64
Amortisation on intangible assets	13.98	241.12
Depreciation on investment property	5.56	-
Amortisation on right of use assets	60.45	71.03
	<u>122.88</u>	<u>665.79</u>
Less : Depreciation, amortization and impairment from discontinuing operations	-	(591.51)
	<u>122.88</u>	<u>74.28</u>



40 Other expenses	For the year ended	
	31 March 2023	31 March 2022
Corporate social responsibility expenses	74.83	61.51
Contribution to electoral trust	25.00	-
Power, Fuel and Water Charges	12.06	5.33
Repairs and maintenance	31.58	49.38
Rent	3.78	8.00
Rates & taxes	13.33	16.21
Insurance expenses	2.77	4.56
Travelling expenses	21.00	4.57
Directors' commission	3.17	2.40
Directors' sitting fees	1.00	0.82
Bad debts	8.42	0.38
Advertisement and Business Promotion Expenses	48.49	12.36
Donations	1.61	6.19
Communication and postage	18.21	9.21
Printing and stationery	7.35	3.30
Legal & professional charges	580.34	294.16
Royalty expense	65.43	66.04
Loss on sale of subsidiary	26.20	-
Provision for doubtful advances	133.99	-
Miscellaneous expenses	83.35	40.41
	<b>1,161.91</b>	<b>584.83</b>



**Piramal Enterprises Limited****Notes to the consolidated financial statements (Continued)**

For the year ended 31 March 2023

(Currency : Rs in crores)

**41 Exceptional gains / (losses) (net of tax)**

Particulars	For the year ended	
	31 March 2023	31 March 2022
Gain on demerger of Pharma undertaking as per note 71	8,373.72	-
Transaction costs in relation to the reverse merger of DHFL as per note 66(ii)	-	(142.72)
Transaction costs in relation to the sale of Pharma business (net of tax) as per note 71	(307.46)	(10.20)
	<b>8,066.26</b>	<b>(152.92)</b>

**42 Other Comprehensive Income (net of taxes) from continuing and discontinued operations**

Particulars	For the year ended	
	31 March 2023	31 March 2022
Other Comprehensive Income related to:		
Fair Valuation of Equity investments	212.00	28.40
Fair Valuation of debt investments	(13.01)	-
Remeasurement of post-employment benefit obligations	1.64	(0.11)
Deferred gains / (losses) on cash flow hedges	10.05	15.93
Exchange differences on translation of foreign operations	(8.58)	106.00
Share of other comprehensive income of joint ventures accounted for using equity accounted method	(70.89)	(77.27)
	<b>131.21</b>	<b>72.94</b>

**43 Contingent liabilities and Commitments**

Particulars	As at	
	31 March 2023	31 March 2022
<b>A. Contingent Liabilities :</b>		
<b>1. Claim against the Group not acknowledged as debt</b>		
- Vide Demand dated June 5, 1984, the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 which is not accepted by the Group. The Group has been legally advised that the demand is untenable.	-	0.61
- Others	9.61	31.03
<b>2. Others</b>		
i. Appeals filed in respect of disputed demands:		
Income Tax		
-where the Group is in appeal	408.90	417.39
-where the department is in appeal	321.05	369.29
Sales Tax	9.73	15.92
Central / State Exercise / Service Tax / Customs	61.83	92.45
Labour Matters	0.41	2.58
Stamp Duty	9.37	9.37
Legal Cases	17.97	17.75
ii. Unexpired Letters of Credit	-	2.36
ii. Guarantees provided by bank on behalf of Group	117.00	-
3. Indemnity given to Navin Fluorine International Limited in relation to service tax matter where company is in appeal	-	1.79

Note: Future cash outflows in respect of 1 and 2(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.





**Piramal Enterprises Limited****Notes to the consolidated financial statements (Continued)**

For the year ended 31 March 2023

(Currency : Rs in crores)

**B. Commitments**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	207.01	292.45
(b) The Group has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period	-	29.51
(c) Other commitments	20.76	11.28

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At year end the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts.

The Group has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Refer note 57 in case of loan commitments and other commitments

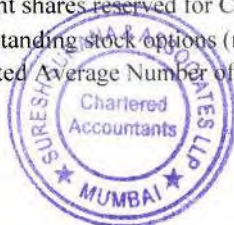
**44 Earnings per share (EPS)**

In accordance with Ind AS 33 'Earnings per share', Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Holding Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Description	For the year ended	
	31 March 2023	31 March 2022
<b>(a) Basic and diluted EPS for the year from continuing operations</b>		
Net profit from continuing operations attributable to equity shareholders	9,968.58	1,662.24
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	23,86,63,700	23,82,93,390
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	23,94,55,874	23,91,86,403
Basic EPS of face value of Rs.2 from continuing operations	417.68	69.75
Diluted EPS of face value of Rs.2 from continuing operations	416.30	69.50
<b>(b) Basic and diluted EPS for the year from discontinued operations</b>		
Net profit from discontinued operations attributable to equity shareholders	-	260.87
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	-	23,82,93,390
Weighted average number of equity shares outstanding during the year for calculation of Diluted EPS	-	23,91,86,403
Basic EPS of face value of Rs.2 from discontinued operations	-	10.95
Diluted EPS of face value of Rs.2 from discontinued operations	-	10.90
<b>(c) EPS for the year from continuing and discontinued operations</b>		
Basic EPS	417.68	80.70
Diluted EPS	416.30	80.40
<b>(d) Weighted average number of shares used in calculation of basic and diluted earnings per share</b>		
Weighted Average Number of Equity Shares for calculating Basic EPS (nos.)	23,86,63,700	23,82,93,390
Weighted Average Potential Equity Shares in respect of		
(i) Right shares reserved for CCD holders and right shares held in abeyance (nos.)	24,573	8,93,013
(i) Outstanding stock options (nos.)	7,67,601	-
Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.)	23,94,55,874	23,91,86,403





**Piramal Enterprises Limited****Notes to the consolidated financial statements (Continued)**

For the year ended 31 March 2023

(Currency : Rs in crores)

45 Property, Plant & Equipment, Brands and Trademarks, Investment in Non Convertible Debentures, Inter Corporate Deposits and Other Financial Assets are mortgaged / hypothecated to the extent of Rs. 71,532.95 Crores (As on 31 March 2022: Rs.55,608.16 crores) as a security against secured borrowings as at 31 March, 2023.

**46 Disclosures in compliance with the Regulation 52 (4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for the financial year ended 31 March 2023**

Particulars	For the year ended 31 March 2023
(a) Debt-Equity ratio ([Debt securities+Borrowings (other than debt securities)+Deposits+Subordinated debts] /	1.60
(b) Net Worth [Total Equity] (Rs. in crores)	31,059.08
(c) Net Profit after tax (Rs. in crores)	9,968.58
(d) Earnings per share (continuing and discontinued operations)	
(i) Basic (Rs.)	417.68
(ii) Diluted (Rs.)	416.30
(e) Total debts to total assets ratio ([Debt securities+Borrowings (other than debt securities) + Deposits+ Subordinated debts] / Total Assets)	59.20%
(f) Net profit margin [Profit after tax / Total Income]	20.94%
(g) Sector specific equivalent ratio, as applicable	
(i) Gross NPA (stage 3 asset, gross) ratio	3.76%
(ii) Net NPA (stage 3 asset, net) ratio	1.93%

On July 26, 2022, The Holding Company had received the Certificate of Registration to carry on the business of Non Banking Financial Institution. Hence, the previous years figures in the above disclosure have not been provided.

**47 Segment reporting**

With effect from 1 April 2022, the Holding Company and its subsidiaries are primarily engaged in the business of financing and accordingly there are no separate reportable segmental information as per Ind AS 108. Further, since Pharmaceuticals is part of discontinuing operation (refer note 70 & 71), the same has not been presented as segmental information for previous year as per the guidance in Ind AS 105. To that extent, the segment information pertaining to previous year are not comparable and relevant.

48 Piramal Capital & Housing Finance Limited ("PCHFL"), wholly owned subsidiary, is required to comply with Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions'). PCHFL had submitted a detailed business plan to the RBI in April and June 2022 detailing the roadmap to comply with the principal business criteria by 31 March 2024. Based on submission, the RBI advised PCHFL to ensure compliance with the submitted business plan, as the same shall be monitored at regular intervals by the RBI and NHB. PCHFL is currently trailing in meeting committed PBC thresholds for the year ended 31 March 2023, however, the management believes that PCHFL will be able to meet the required PBC thresholds latest by 31 March 2024. In order to achieve the above, PCHFL has changed its business strategy to shift focus majorly on housing finance loans and has decided to further reduce the Assets Under Management (AUM) in wholesale lending business in next few years.



49 Leases

(i) Amounts recognised in the balance sheet

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2023

Category of Asset	Opening as on 1 April 2022	Deductions as per composite scheme of arrangement (refer note 71)	Additions during 2022-23	Deductions / Adjustments during 2022-23	Amortisation for 2022-23	Foreign currency translation impact	Closing as on 31 March 2023
Building	246.74	98.33	141.27	8.98	60.45	-	220.25
Leasehold Land	65.84	65.84	-	-	-	-	-
Storage unit	0.00	0.00	-	-	-	-	-
Guest House	0.29	0.29	-	-	-	-	-
Equipments	0.75	0.75	-	-	-	-	-
IT Assets	1.09	1.09	-	-	-	-	-
<b>Total</b>	<b>314.73</b>	<b>166.31</b>	<b>141.27</b>	<b>8.98</b>	<b>60.45</b>	<b>-</b>	<b>220.25</b>

Lease liabilities as on 1 April 2022 251.98  
Lease liabilities as on 31 March 2023 238.90

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

Category of Asset	Opening as on 1 April 2021	Acquisition through business combination *	Additions during 2021-22	Deductions during 2021-22	Amortisation for 2021-22 #	Foreign currency translation impact	Closing as on 31 March 2022
Building	182.30	86.27	43.42	2.53	67.17	4.47	246.74
Leasehold Land	5.81	54.09	6.68	0.47	0.27	-	65.84
Storage unit	0.08	-	-	0.08	-	-	0.00
Guest House	0.52	-	-	-	0.23	-	0.29
Equipments	0.76	0.50	0.00	-	0.52	-	0.75
IT Assets	3.92	-	-	-	2.83	-	1.09
<b>Total</b>	<b>193.40</b>	<b>140.86</b>	<b>50.10</b>	<b>3.08</b>	<b>71.03</b>	<b>4.47</b>	<b>314.73</b>

Lease liabilities as on 1 April 2021 187.90  
Lease liabilities as on 31 March 2022 251.98

\* Refer Note 66

# Includes depreciation of Rs.27.84 crores forming part discontinued operations

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

Particulars	Year Ended	
	31 March 2023	31 March 2022
The statement of profit or loss shows the following amounts relating to leases:		
Interest expense on lease liabilities (included in finance cost) (also forming part of discontinued operations in the previous year)	7.76	12.96
Income from sub-leasing right-of-use assets	0.14	1.18
Expense relating to short-term leases (included in Operating Expenses and discontinuing operations) (also forming part of discontinued operations in the previous year)	2.74	10.21
Expense relating to leases of low-value assets (other than short term leases as disclosed above) (included in Operating expenses) (also forming part of discontinued operations in the previous year)	-	28.62

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2022 ranges between 8.91 % to 11.54% (Previous Year :2.51% to 11.77%).

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

Particulars	As at	
	31 March 2023	31 March 2022
1 year	63.63	77.22
1-3 years	106.99	126.68
3-5 years	76.28	42.44
More than 5 years	55.50	129.22

50 Goodwill

Movement in Goodwill during the year:

Particulars	As at	
	31 March 2023	31 March 2022
Opening balance	1,294.70	1,114.28
Add: Addition due to acquisition during the year (Refer Note 66(iii))	2.00	145.06
Add: Currency translation differences	5.97	35.36
Less: Adjustments on account of composite scheme of arrangement (Refer Note 71)	(1,030.50)	-
<b>Closing balance</b>	<b>272.17</b>	<b>1,294.70</b>

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or group of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment, which is represented through group of CGUs.





The following table presents the allocation of goodwill to reportable segments:

Particulars	As at	
	31 March 2023	31 March 2022
Pharmaceuticals	-	1,030.50
Financial Services	272.17	264.20
	<b>272.17</b>	<b>1,294.70</b>

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value - in - use.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider (a) the increase in economic uncertainties due to COVID-19, (b) reassessment of the discount rates, (c) revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

The recoverable amount was computed using the discounted cash flow method for which the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 38.64% (31 March 2022: 10.77% to 24.14%).

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

Based on the above, no impairment was identified as of 31 March 2023 and 31 March 2022 as the recoverable value exceeded the carrying values.



**51 Movement in Provisions :**

Particulars	Litigations / Disputes		Onerous Contracts	
	As at 31 March		As at 31 March	
	2023	2022	2023	2022
Balances as at the beginning of the year	3.50	3.50	0.08	0.08
Amount transferred as per composite scheme of arrangement (refer note 71)	-	-	(0.08)	-
Revaluation of closing balances	-	-	-	*
<b>Balances as at the end of the year</b>	<b>3.50</b>	<b>3.50</b>	<b>-</b>	<b>0.08</b>

\* below rounding off norms adopted by the Group

(a) Provision for litigation / disputes represents claims against the Group not acknowledged as debts that are expected to materialise in respect of matters under litigation. Future cash outflows are determinable only on receipt of judgments/decisions pending with various forums/authorities.

(b) Provision for Onerous contracts represents the amounts provided for contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

**52 Transfer of Financial Assets**

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

Securitisations	Year Ended	
	31 March 2023	31 March 2022
Carrying amount of transferred assets measured at amortised cost (held as Collateral)	1,094.36	2,808.39
Carrying amount of associated liabilities (Borrowings) (other than securities)- measured at amortized cost	1,091.57	2,669.65
Fair Value of Assets	1,094.36	2,808.39
Fair Value of Associated Liabilities	1,091.57	2,669.65
Net Position at Fair Value	2.79	138.74

Note : Transferred Financial Assets that are derecognised in their entirety

The Group has assigned loans ( earlier measured at amortized cost ) by way of direct assignment. As per the terms of deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarised the carrying amount of the derecognised financial assets.

Direct Assignment	As at	
	31 March 2023	31 March 2022
Carrying amount of transferred assets measured at amortised cost	11,237.57	16,220.42
Carrying amount of exposures retained by the Group at amortized cost	1,415.98	2,162.69

**53 Interests in other entities**

**(a) Subsidiaries**

The Group's subsidiaries at 31 March 2023 are set out below.

Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

The country of incorporation or registration is also their principal place of business.

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at 31 March 2023	% voting power held as at 31 March 2023	
1	Piramal International	Mauritius	100.00%	0.00%	Others
2	Piramal Holdings (Suisse) SA (upto 9 December 2022)	Switzerland	100.00%	0.00%	Others
3	Piramal Dutch IM Holdco B V	Netherlands	100.00%	0.00%	Others
4	Piramal Capital and Housing Finance Limited	India	100.00%	0.00%	Financial Services
5	DHFL Investments Limited #	India	100.00%	0.00%	Financial Services
6	DHFL Advisory & Investments Private Limited #	India	100.00%	0.00%	Financial Services
7	DHFL Holdings Limited #	India	100.00%	0.00%	Financial Services
8	PRL Agastya Private Limited (w.e.f. 12 December 2022) #	India	100.00%	0.00%	Leasing of properties
9	Piramal Fund Management Private Limited	India	100.00%	0.00%	Financial Services
10	Piramal Alternatives Private Limited	India	100.00%	0.00%	Financial Services
11	Piramal Investment Advisory Services Private Limited	India	100.00%	0.00%	Financial Services
12	Piramal Investment Opportunities Fund	India	100.00%	0.00%	Financial Services
13	INDIAREIT Investment Management Co. SS	Mauritius	100.00%	0.00%	Financial Services
14	Piramal Asset Management Private Limited SS	Singapore	100.00%	0.00%	Financial Services
15	Piramal Securities Limited	India	100.00%	0.00%	Financial Services
16	Piramal Systems & Technologies Private Limited	India	100.00%	0.00%	Others
17	Piramal Technologies SA @	Switzerland	100.00%	0.00%	Others
18	PEL Finhold Private Limited	India	100.00%	0.00%	Others
19	Piramal Consumer Products Private Limited	India	100.00%	0.00%	Others
20	Piramal Finance Sales & Services Private Limited #	India	100.00%	0.00%	Manpower services
21	Piramal Payment Services Limited #	India	100.00%	0.00%	Financial Services
22	Piramal Alternatives Trust	India	100.00%	0.00%	Financial Services
23	Viridis Power Investment Managers Private Limited *	India	100.00%	0.00%	Financial Services
24	Viridis Infrastructure Investment Managers Private Limited	India	100.00%	0.00%	Financial Services

Others denotes investment in subsidiaries / other business activities.

\* Voluntarily liquidated in the current year

@ held through Piramal Systems & Technologies Private Limited

SS held through Piramal Fund Management Private Limited

# held through Piramal Capital & Housing Finance Limited





The Group's subsidiaries at 31 March 2022 are set out below  
Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.  
The country of incorporation or registration is also their principal place of business.

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at 31 March 2022	% voting power held as at 31 March 2022	
1	PHL Fininvest Private Limited &	India	100.00%	0.00%	Financial Services
2	Piramal International	Mauritius	100.00%	0.00%	Others
3	Piramal Holdings (Suisse) SA	Switzerland	100.00%	0.00%	Others
4	Piramal Critical Care Italia, S.P.A** &	Italy	79.88%	20.12%	Pharmaceutical manufacturing and services
5	Piramal Critical Care Deutschland GmbH** &	Germany	79.88%	20.12%	Pharmaceutical manufacturing and services
6	Piramal Critical Care Limited ** &	U.K.	79.88%	20.12%	Pharmaceutical manufacturing and services
7	Piramal Healthcare (Canada) Limited ** &	Canada	79.88%	20.12%	Pharmaceutical manufacturing and services
8	Piramal Critical Care B.V. ** &	Netherlands	79.88%	20.12%	Pharmaceutical manufacturing and services
9	Piramal Pharma Solutions B.V. ** &	Netherlands	79.88%	20.12%	Pharmaceutical manufacturing and services
10	Piramal Critical Care Pty. Ltd. ** &	Australia	79.88%	20.12%	Pharmaceutical manufacturing and services
11	Piramal Healthcare UK Limited ** &	U.K.	79.88%	20.12%	Pharmaceutical manufacturing and services
12	Piramal Healthcare Pension Trustees Limited** &	U.K.	79.88%	20.12%	Pharmaceutical manufacturing and services
13	Piramal Critical Care South Africa (Pty) Ltd ** &	South Africa	79.88%	20.12%	Pharmaceutical manufacturing and services
14	Piramal Dutch Holdings N.V. @@@ &	Netherlands	79.88%	20.12%	Others
15	Piramal Healthcare Inc. ** &	U.S.A	79.88%	20.12%	Others
16	Piramal Critical Care, Inc. ** &	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
17	Piramal Pharma Inc ** &	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
18	Piramal Pharma Solutions Inc ** &	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
19	PEL Pharma Inc ** &	U.S.A	79.88%	20.12%	Others
20	Ash Stevens LLC ** &	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
21	Piramal Dutch IM Holdco B.V.	Netherlands	100.00%	0.00%	Others
22	PEL-DRG Dutch Holdco B.V. \$	Netherlands	100.00%	0.00%	Others
23	Piramal Capital and Housing Finance Limited	India	100.00%	0.00%	Financial Services
24	DHFL Investments Limited# (w.e.f. 30 September 2021)	India	100.00%	0.00%	Financial Services
25	DHFL Advisory & Investments Private Limited# (w.e.f. 30 September 2021)	India	100.00%	0.00%	Financial Services
26	DHFL Holdings Limited# (w.e.f. 30 September 2021)	India	100.00%	0.00%	Financial Services
27	Piramal Fund Management Private Limited	India	100.00%	0.00%	Financial Services
28	Piramal Alternatives Private Limited	India	100.00%	0.00%	Financial Services
29	Piramal Investment Advisory Services Private Limited	India	100.00%	0.00%	Financial Services
30	Piramal Investment Opportunities Fund	India	100.00%	0.00%	Financial Services
31	INDIAREIT Investment Management Co. \$\$	Mauritius	100.00%	0.00%	Financial Services
32	Piramal Asset Management Private Limited \$\$	Singapore	100.00%	0.00%	Financial Services
33	Piramal Capital International Limited \$\$ (upto 27 April 2021)	Mauritius	100.00%	0.00%	Financial Services
34	Piramal Securities Limited	India	100.00%	0.00%	Financial Services
35	Piramal Systems & Technologies Private Limited	India	100.00%	0.00%	Others
36	Piramal Technologies SA @	Switzerland	100.00%	0.00%	Others
37	PEL Finhold Private Limited	India	100.00%	0.00%	Others
38	Piramal Consumer Products Private Limited	India	100.00%	0.00%	Others
39	Piramal Pharma Limited (w.e.f. 4 March 2020) &	India	79.88%	20.12%	Pharmaceutical manufacturing and services
40	PEL Healthcare LLC (w.e.f. 26 June, 2020)** &	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
41	Piramal Finance Sales & Services Private Limited (w.e.f. 9 September 2020)***	India	100.00%	0.00%	Manpower services
42	Viridis Power Investment Managers Private Limited (w.e.f. 17 October 2020)	India	100.00%	0.00%	Financial Services
43	Viridis Infrastructure Investment Managers Private Ltd. (w.e.f. 22 October 2020)	India	100.00%	0.00%	Financial Services
44	Convergence Chemicals Private Limited (subsidiary w.e.f. from 24 February 2021 and joint venture upto 23 February 2021)@@ &	India	79.88%	20.12%	Pharmaceutical manufacturing and services
45	Hemmo Pharmaceuticals Private Limited	India	79.88%	20.12%	Pharmaceutical manufacturing and services
46	Piramal Pharma Japan GK (w.e.f. November 05, 2021)** &	India	79.88%	20.12%	Pharmaceutical manufacturing and services

Others denotes investment in subsidiaries / other business activities

\*\* held through Piramal Dutch Holdings N.V.

@ held through Piramal Systems & Technologies Private Limited

\$ merged into Piramal Dutch IM Holdco B.V.

\$\$ held through Piramal Fund Management Private Limited

\*\*\* held through PHL Fininvest Private Limited

@@ held through Piramal Pharma Limited

# held through Piramal Capital & Housing Finance Limited

& upto 31 March 2022 (refer note 71). To be considered as other related party w.e.f. 1 April 2022 onwards



**53 Interests in other entities (continued)**

**Interest in material subsidiary**

(a) Summarized consolidated financial information in respect of the group's material subsidiary is set out below. The summarized consolidated financial information below represents amounts as per Piramal Capital & Housing Finance Limited's ("PCHFL") consolidated financial statements.

**Summarized Balance Sheet:**

Particulars	PCHFL	
	As at	
	31 March 2023	31 March 2022
Total assets	62,266.49	79,639.63
Total liabilities	47,485.45	57,451.96

**Summarized Total Comprehensive Income:**

Particulars	PCHFL	
	For the year ended	
	31 March 2023	31 March 2022
Total Income	6,669.15	6,104.75
Expenses (including tax expense and exceptional items)	14,091.47	5,579.01
Share of net profit of joint ventures	20.96	14.41
Profit / (loss) for the year	(7,401.36)	540.15
Other comprehensive Income for the year	(5.26)	(67.20)
Total Comprehensive Income for the year	(7,406.62)	472.95

**Movement in Cash & Cash Equivalents:**

Particulars	31 March 2023	31 March 2022
Opening Cash & Cash Equivalents	4,619.25	3,559.67
Closing Cash & Cash Equivalents	1,928.02	4,619.25
Net Cash Inflow / (outflow)	(2,691.23)	1,059.58

(b) Summarized consolidated financial information in respect of the group's subsidiary that has material non-controlling interest is set out below. The summarized consolidated financial information below represents amounts as per Piramal Pharma Limited's consolidated financial statements.

**Summarized Balance Sheet:**

Particulars	Piramal Pharma Ltd *	
	As at	
	31 March 2023	31 March 2022
Total assets	-	12,797.04
Total liabilities	-	6,100.44
Equity Interest Attributable to Owners	-	5,348.82
Non - Controlling Interest	-	1,347.78

**Summarized Total Comprehensive Income:**

Particulars	Piramal Pharma Ltd *	
	For the year ended	
	31 March 2023	31 March 2022
Total Income	-	6,834.90
Expenses (including tax expense)	-	6,393.87
Profit for the year	-	441.03
Total Comprehensive Income for the year	-	474.70
Total Comprehensive Income attributable to the owners of the company	-	379.17
Total Comprehensive Income attributable to the Non-Controlling Interest	-	95.53
Dividend income	-	39.94

**Movement in Cash & Cash Equivalents:**

Particulars	Piramal Pharma Ltd *	
	For the year ended	
	31 March 2023	31 March 2022
Opening Cash & Cash Equivalents	-	384.65
Closing Cash & Cash Equivalents	-	228.10
Net Cash Inflow	-	(156.55)

\* To be considered upto 31 March 2022 owing to the Composite Scheme of Arrangement (refer note 71)





(b) (i) Interest in Material Joint Ventures

No.	Name of the Company	Principal place of business	Carrying Amount as at		% of ownership interest
			31 March, 2023	31 March, 2022	
1	Shrilekha Business Consultancy Private Limited (Joint venture) (Shrilekha Business Consultancy Limited) *	India	-	4,026.12	74.95%

\* To be considered upto 9 November 2022 owing to the Composite Scheme of Arrangement and Amalgamation in Shriram group (refer note 68)

The above investments in joint ventures are accounted for using Equity Method. These are unlisted investments and hence quoted prices are not available.

**Significant judgement: classification of joint venture**

**Shrilekha Business Consultancy Private Limited**

The Group had a 74.95% interest in a joint venture called Shrilekha Business Consultancy Private Limited which was set up together with Shriram Ownership Trust to invest in Shriram Capital Limited. Shrilekha Business Consultancy Private Limited holds 26.68% in Shriram Capital Limited, thereby giving the Group an effective interest of 20%. The principal place of business of the joint venture is in India.

Significant financial information for Shrilekha Business Consultancy Private Limited has been provided below :

**Significant financial information:**

**Summarised Balance sheet as at:**

Particulars	31 March 2023	31 March 2022
Current assets	-	7.04
Non-current assets	-	4,589.65
Current liabilities	-	(0.02)
Non-current liabilities	-	-
<b>Net Assets</b>	<b>-</b>	<b>4,596.67</b>
<b>The above amounts of assets and liabilities include the following:</b>		
Cash and cash equivalents	-	0.34
Current financial liabilities (excluding trade payables)	-	(0.03)

**Summarised statement of profit and loss**

Particulars	For the period 1 April 22 to 9 November 22	For the period 1 April 21 to 31 March 22
Revenue	-	31.94
Income tax expense	-	0.82
Share of profit from associate	346.62	482.38
Profit for the period	346.54	512.92
Total comprehensive income for the period	346.54	512.92

**Reconciliation to carrying amounts as at:**

Particulars	31 March 2023	31 March 2022
Net assets	4943.21	4,596.67
Group's share in %	74.95%	74.95%
Proportion of the Group's ownership interest	3,704.94	3,445.21
Goodwill	556.74	556.74
Dividend Distribution Tax	24.17	24.17
Redemption of investments on account of Composite Scheme of Arrangement and Amalgamation in Shriram group (refer note 68)	(4,285.85)	-
<b>Carrying amount</b>	<b>-</b>	<b>4,026.12</b>

(b) (ii) Individually immaterial joint ventures

The group has interests in the following individually immaterial joint ventures that are accounted for using the equity method:

Sr. No.	Name of the Company	Principal place of business	% of ownership interest
1	India Resurgence ARC Private Limited	India	50.00%
2	India Resurgence Asset Management Business Private Limited	India	50.00%
3	Asset Resurgence Mauritius Manager	Mauritius	50.00%
4	Piramal Ivanhoe Residential Equity Fund I (investment redeemed on 21 December 2021)	India	0.00%
5	India Resurgence Fund - Scheme - 2	India	50.00%
6	India Resurgence ARC Trust I (investment redeemed on 14 October 2021)	India	50.00%
7	Piramal Structured Credit Opportunities Fund	India	25.00%
8	Pramerica Life Insurance Limited (w.e.f. 30 September 2021)	India	50.00%





**Investment in India Resurgence ARC Private Limited**

India Resurgence ARC Private Limited was a wholly owned subsidiary of the Group till 18 July 2017. On 19 July 2017, the Group has entered into a joint venture agreement with Bain Capital Credit India Investments (a company existing under the laws of the Republic of Mauritius) to sell its shares to the latter.

The contractual arrangement states that the Group and the other shareholder shall nominate one director each to the board in addition to the two independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence ARC Private Limited.

Hence with effect from 19 July 2017, the investment in India Resurgence ARC Private Limited is considered as investment in Joint Venture and accordingly this is accounted as per the equity method.

**Investment in India Resurgence Asset Management Business Private Limited**

India Resurgence Asset Management Business Private Limited was a wholly owned subsidiary of the Group till 6 February 2018. On 7 February 2018, the Group has entered into a joint venture agreement with Bain Capital Mauritius (a private limited company incorporated in Mauritius) to sell its shares to the latter.

The contractual arrangement states that the Group and the other shareholder shall nominate one director each to the board in addition to the two independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence Asset Management Business Private Limited.

Hence with effect from 7 February 2018, the investment in India Resurgence Asset Management Business Private Limited is considered as investment in Joint Venture and accordingly this is accounted as per the equity method.

**Investment in Asset Resurgence Mauritius Manager**

Asset Resurgence Mauritius Manager is a Joint Venture between Bain Capital Credit Member LLC and Piramal Fund Management Private Limited, wholly owned subsidiary Asset Resurgence Mauritius Manager was incorporated in the Republic of Mauritius as a private company under the Mauritius Companies Act 2001 on October 10, 2017 and holds a Category I Global Business License and a CIS Manager issued by the Financial Services Commission. The principal activity of Asset Resurgence Mauritius Manager is to provide investment management services.

**Investment in Piramal Ivanhoe Residential Equity Fund I**

Piramal Ivanhoe Residential Equity Fund - I ('Fund') is a contributory determinate investment trust organised under the Indian Trust Act 1882 and has been registered with SEBI as Category II Alternative Investment Fund.

**Investment in India Resurgence Fund - Scheme - 2**

India Resurgence Fund, is a Category II, SEBI registered AIF which is managed by India Resurgence Asset Management Business Private Limited, a 50:50 joint venture between Group and Bain Capital. India Resurgence Fund is a trust which has been set up on 2 March 2017 and registered with SEBI on 28 June 2017. India Resurgence Fund has floated India Resurgence Fund Scheme 2 for investments into distressed to control investment opportunities.

**India Resurgence ARC Trust I**

India Resurgence ARC Trust I ('the Trust') is declared as a Trust of India Resurgence ARC Private Limited in accordance with the Indian Trust Act, 1882 by way of a trust deed dated November 12, 2018. India Resurgence ARC Trust I is being managed by India Resurgence ARC Pvt Ltd(Trustee) and this trustee entity is joint venture between Bain Capital and the Group. Shareholding of Trustee entity is being held 50:50 by Bain Capital & the Group.

**Piramal Structured Credit Opportunities Fund**

Piramal Structured Credit Opportunities Fund' (the 'Fund') has been established under the provisions of the Indian Trust Act, 1882. The Fund has received approval from the Securities and Exchange Board of India on 10 February 2020 to carry on the activity of alternate investment fund by pooling together resources and finances from institutional and high net worth investors.

**Pramercia Life Insurance Limited**

Pramercia Life Insurance Limited has been established under the provisions of Insurance Regulatory Development Authority of India (IRDAI). The Company is carrying business on the basis of certificate of registration granted and duly renewed by IRDAI.

**Aggregate carrying amount of individually immaterial joint ventures**

Particulars	31 March 2023	31 March 2022
Aggregate investment amounts of the group's share of:	1,637.48	1,526.74
Profit / (loss) from continuing operations	128.88	132.14
Other comprehensive income	(70.89)	(77.27)
<b>Total comprehensive income</b>	<b>57.99</b>	<b>54.87</b>

**(c) Interest in material Associates**

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at		% of ownership interest
			March 31, 2023	March 31, 2022	
1	Allergan India Private Limited *	India	-	78.09	39.20%
2	Yapan Bio Private Limited *	India	-	101.73	22.30%

\* To be considered upto 31 March 2022 owing to the Composite Scheme of Arrangement (refer note 71)

The above investment is accounted for using Equity Method. This is an unlisted investment and hence quoted prices are not available. Allergan India Private Limited is mainly engaged in trading of ophthalmic products.



**i) Allergan India Private Limited**

**Significant judgement: classification of associate**

The Group owns 39.20% equity shares of Allergan India Private Limited. As per the terms of the contractual agreement with Allergan Pharmaceuticals (Ireland) Limited, the company by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The company only has a right to participate in the policy making processes. Accordingly Allergan India Private Limited has been considered as an Associate.

**Significant financial information for associate**

**Summarised Balance sheet as at:**

Particulars	31 March, 2023	31 March, 2022
Current assets	-	214.35
Non-current assets	-	37.63
Current liabilities	-	(86.55)
Non-current liabilities	-	(12.22)
<b>Net Assets</b>	-	<b>153.21</b>

**Summarised statement of profit and loss for the year ended:**

Particulars	31 March, 2023	31 March, 2022
Revenue from Operations	-	414.26
Profit for the year	-	124.62
Other comprehensive income/ (expense)	-	-
Total comprehensive income	-	124.62
Dividends received	-	90.65

**Reconciliation to carrying amounts as at:**

Particulars	31 March, 2023	31 March, 2022
Net assets	-	153.21
Group's effective share in %	-	49%
Proportion of the group's effective ownership interest	-	75.07
Others	-	3.02
<b>Carrying amount</b>	-	<b>78.09</b>





**ii) Yapan Bio Private Limited**

**Significant judgement: classification of associate**

The Group owned 22.30% equity shares of Yapan Bio Private Limited. As per the terms of the contractual agreement with promoters of Group, by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The Group only has a right to participate in the policy making processes. Accordingly Yapan Bio Private Limited has been considered as an Associate.

**Significant financial information for associate**

**Summarised Balance sheet as at:**

Particulars	31 March 2023	31 March 2022
Current assets	-	72.96
Non-current assets	-	16.06
Current liabilities	-	(12.35)
Non-current liabilities	-	(1.38)
<b>Net Assets</b>	-	<b>75.29</b>

**Summarised statement of profit and loss for the year ended:**

Particulars	31 March 2023	31 March 2022
Revenue	-	5.80
Profit for the year	-	0.16

**Reconciliation to carrying amounts as at:**

Particulars	31 March 2023	31 March 2022
Net assets	-	75.29
Group's share in %	-	27.78%
Proportion of the Group's ownership interest	-	20.92
Goodwill on acquisition	-	80.81
<b>Carrying amount</b>	-	<b>101.73</b>

**(d) Individually immaterial associates**

The group has interests in the following individually immaterial associates that are accounted for using the equity method:

Sr. No.	Name of the Company	Principal place of business
1	Shriram Capital Limited (upto 9 November 2022)	India
2	DHFL Ventures Trustee Company Private Limited (w.e.f. 30 September 2021)	India
3	Shriram GI Holdings Private Limited (w.e.f 9 November 2022)	India
4	Shriram LI Holdings Private Limited (w.e.f 9 November 2022)	India
5	Shriram Investment Holdings Limited (w.e.f 9 November 2022)	India

Particulars	31 March 2023	31 March 2022
<b>Aggregate carrying amount of individually immaterial associates *</b>	<b>2,277.58</b>	<b>0.05</b>
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations	-	-
Other comprehensive income	-	-
<b>Total comprehensive income/ (Loss)</b>	-	-

\* Including Rs. 2,277.54 crores held for sale associates (Refer note 69)

**(e) Share of profits from Associates and Joint Venture for the year ended:**

Particulars	31 March 2023	31 March 2022
Share of profits from Joint Ventures (including other comprehensive income)	317.72	485.43
Share of profits from Associates	-	90.18
<b>Total share of profits from Associates and Joint Ventures</b>	<b>317.72</b>	<b>575.61</b>





**54 Employee Benefits :**

**Brief description of the Plans:**

**Other Long Term Employee Benefit Obligations:**

Leave Encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise.

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

**Defined Contribution plans:**

The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Overseas Social Security Plans, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and 401(k) plan contribution(in case of US subsidiaries). The Group has no further obligation beyond making contributions to such plans.

**Post-employment benefit plans:**

Gratuity for employees in India is paid as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans.

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

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

In case of a foreign subsidiary, the subsidiary sponsors a defined benefit retirement plan. The benefits are based on employees' years of experience and final remuneration. The plan was funded through a separate trustee-administered fund. The pension cost for the main defined plans is established in accordance with the advice of independent qualified actuary. This fund was closed to future accrual of benefits with effect from November 15, 2017 and there are no active members.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, equity, mutual funds and other debt instruments.

**Interest risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

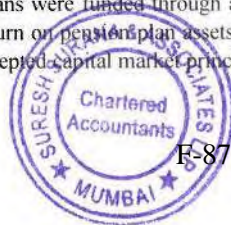
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident fund trust are governed by local regulations, including limits on contributions in each class of investments.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and corporate bonds, although the Group also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

In case of an overseas subsidiary, the pension plans were funded through a separate trustee-administered fund. The subsidiary employs a building block approach in determining the long term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles.





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

Particulars	Year Ended	
	31 March 2023	31 March 2022
Employer's contribution to Regional Provident Fund Office	21.65	21.57
Employer's contribution to Superannuation Fund	0.05	0.28
Employer's contribution to Employees' State Insurance	0.00	0.62
Employer's contribution to Employees' Pension Scheme 1995	16.87	5.71
Contribution to Pension Fund	2.08	49.53
401 (k) Plan contribution	-	31.00
	<b>40.65</b>	<b>108.71</b>

Included in Contribution to Provident and Other Funds, Other Expenses and Discontinuing operations (Refer Note 38 & 71)

II. Disclosures for defined benefit plans based on actuarial valuation reports as on 31 March 2023

A. Change in Defined Benefit Obligation

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended 31 March		Year Ended 31 March		Year Ended 31 March		Year Ended 31 March	
	2023	2022	2023	2022	2023	2022	2023	2022
Present Value of Defined Benefit Obligation as at beginning of the year	124.79	89.81	614.17	704.09	364.37	312.42	0.71	-
Interest Cost	4.01	6.81	-	9.56	17.41	26.00	-	0.01
Current Service Cost	7.72	9.63	-	-	3.87	13.82	-	0.08
Past Service Cost	-	0.84	-	-	-	-	-	-
Past Contribution from Employer	-	0.72	-	-	-	-	-	-
Contributions from plan participants	-	-	-	-	5.52	22.60	-	-
Return on Plan Assets, Excluding Interest Income	-	-	-	-	-	6.89	-	-
Liability Transferred In / Acquisitions	0.95	29.47	-	-	-	-	-	-
Liability Transferred In for employees joined	-	-	-	-	3.88	120.91	-	-
Liability Transferred Out for employees left	(5.16)	(1.08)	-	-	-	-	-	-
Liability acquired on acquisition of a subsidiary	-	-	-	-	-	-	-	-
Benefit Directly Paid By Employer	(11.18)	(4.85)	-	-	(14.32)	-	-	-
Benefits Paid	(2.58)	(6.18)	-	(30.44)	(170.01)	(146.88)	(0.71)	-
Other Actuarial Adjustments	(58.28)	0.58	(614.17)	-	(8.61)	8.61	-	0.12
Actuarial (Gains)/loss - due to change in Demographic Assumptions	(4.32)	(1.12)	-	-	-	-	-	(0.10)
Actuarial (Gains)/loss - due to change in Financial Assumptions	0.38	(1.53)	-	(60.44)	-	-	-	0.01
Actuarial (Gains)/loss - due to experience adjustments	0.62	1.69	-	-	-	-	-	0.59
Exchange Differences on Foreign Plans	-	-	-	(8.60)	-	-	-	-
Present Value of Defined Benefit Obligation as at the end of the year	<b>56.95</b>	<b>124.79</b>	<b>-</b>	<b>614.17</b>	<b>202.11</b>	<b>364.37</b>	<b>-</b>	<b>0.71</b>

B. Changes in the Fair Value of Plan Assets

Particulars	(Funded)					
	Gratuity		Pension		Provident Fund	
	Year Ended 31 March		Year Ended 31 March		Year Ended 31 March	
	2023	2022	2023	2022	2023	2022
Fair Value of Plan Assets as at beginning of the year	88.96	66.25	890.23	877.27	364.37	312.42
Interest Income	2.82	5.02	-	11.92	17.40	25.99
Contributions from employer	5.43	0.15	-	-	-	36.43
Contributions from plan participants	-	-	-	-	9.40	-
Asset acquired on acquisition of a subsidiary	-	23.72	-	-	-	-
Assets Transferred In for employees joined	-	-	-	-	3.88	120.91
Assets Transferred out for employees joined	(5.16)	-	-	-	-	-
Reduction on disposal of discontinued operations	(45.46)	-	(890.23)	-	(170.01)	(146.88)
Benefits Paid from the fund	(2.58)	(6.18)	-	(30.44)	(14.32)	5.46
Return on Plan Assets, Excluding Interest Income	(1.01)	-	-	46.85	(2.94)	-
Administration cost	-	-	-	(4.66)	-	-
Other Actuarial Adjustment	-	-	-	-	-	10.04
Exchange Differences on Foreign Plans	-	-	-	(10.71)	-	-
Fair Value of Plan Asset as at the end of the year	<b>43.00</b>	<b>88.96</b>	<b>(0.00)</b>	<b>890.23</b>	<b>207.78</b>	<b>364.37</b>

C. Amount recognised in the Balance Sheet

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	As at 31 March		As at 31 March		As at 31 March		As at 31 March	
	2023	2022	2023	2022	2023	2022	2023	2022
Present Value of Defined Benefit Obligation as at the end of the year	56.95	124.79	-	614.17	202.11	364.37	-	0.71
Fair Value of Plan Assets As at end of the year	43.00	88.96	(0.00)	890.23	207.78	364.37	-	-
Funded Status	-	-	0.00	(276.06)	-	-	-	-
Asset Coiling	-	-	(0.00)	276.06	-	-	-	-
Effect of currency translations	-	-	-	-	-	-	-	-
Net Liability recognised in the Balance Sheet (Refer Note 14 & 22)	<b>13.95</b>	<b>35.83</b>	<b>-</b>	<b>-</b>	<b>(5.67)</b>	<b>-</b>	<b>-</b>	<b>0.71</b>

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

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

D. Expenses recognised in Consolidated Statement of Profit and Loss

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended 31 March		Year Ended 31 March		Year Ended 31 March		Year Ended March 31,	
	2023	2022	2023	2022	2023	2022	2023	2022
Current Service Cost	7.72	9.63	-	-	3.87	13.82	0.27	0.08
Past Service Cost	-	0.84	-	-	-	-	-	-
Net interest Cost	1.19	1.79	-	-	0.01	0.01	-	0.01
(Gains)/Losses on Curtailments and settlements	-	-	-	-	-	-	-	-
Total Expenses recognised in the Statement of Profit And Loss*	<b>8.91</b>	<b>12.26</b>	<b>-</b>	<b>-</b>	<b>3.88</b>	<b>13.83</b>	<b>0.27</b>	<b>0.09</b>

\*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Discontinuing operations (Refer Note 38 & 71)





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

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended 31 March		Year Ended 31 March		Year Ended 31 March		Year Ended 31 March	
	2023	2022	2023	2022	2023	2022	2023	2022
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	(4.32)	(1.12)	-	-	-	-	-	(0.10)
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	0.38	(1.53)	-	(60.44)	-	-	-	0.01
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	0.62	1.69	-	-	-	-	-	0.59
Return on Plan Assets Excluding Interest Income	1.01	-	-	(46.85)	-	-	-	-
Change in Asset Ceiling	-	-	-	107.29	-	-	-	-
<b>Net (Income) / Expense For the Period Recognized in OCI</b>	<b>(2.31)</b>	<b>(0.96)</b>	-	-	-	-	-	<b>0.50</b>

**F. Significant Actuarial Assumptions:**

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	As at 31 March		As at 31 March		As at 31 March		As at 31 March	
	2023	2022	2023	2022	2023	2022	2023	2022
Discount Rate (per annum)	6.84% to 7.41%	6.05% to 6.84%	NA	2%	7.35%	6.84%	NA	5.18%
Salary escalation rate	6.50% to 10%	6% to 10%	NA	NA	NA	NA	NA	7.00%
Expected Rate of return on Plan Assets (per annum)	6.70% to 7.41%	6.05% to 6.84%	NA	2%	7.35%	6.84% to 8.10%	NA	NA

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

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

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

Particulars	(Funded)				(Non-Funded)	
	Gratuity		Pension		Gratuity	
	As at 31 March		As at 31 March		As at 31 March	
	2023	2022	2023	2022	2023	2022
Opening Net Liability/(asset)	35.83	23.56	-	-	0.71	-
Transfer of Liability from Non funded to Funded	-	-	-	-	-	-
Expenses Recognized in Statement of Profit or Loss	8.91	12.26	-	-	0.27	0.09
Expenses Recognized in OCI	(2.31)	(0.96)	-	-	-	0.50
Other Actuarial Adjustments	(2.50)	1.30	-	-	-	0.12
Exchange Fluctuation	-	-	-	-	-	-
Net Liability/(Asset) Transfer In	0.95	5.75	-	-	-	-
Net (Liability)/Asset Transfer Out	(10.32)	(1.08)	-	-	-	-
Balance in relation to the discontinued operations	-	-	-	-	(0.98)	-
Net asset added on acquisition of subsidiary	-	-	-	-	-	-
Benefit Paid Directly by the Employer	(11.18)	(4.85)	-	-	-	-
Employer's Contribution	(5.43)	(0.15)	-	-	-	-
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>13.95</b>	<b>35.83</b>	-	-	<b>0.00</b>	<b>0.71</b>

**H. Category of Assets**

Particulars	(Funded)				Provident Fund	
	Gratuity		Pension		As at 31 March	
	As at 31 March		As at 31 March		As at 31 March	
	2023	2022	2023	2022	2023	2022
Government of India Assets (Central & State)	0.48	18.12	-	-	85.89	159.29
Public Sector Unit Bonds	-	-	-	-	5.63	-
Debt Instruments	-	-	-	605.36	-	-
Corporate Bonds	0.27	14.77	-	-	72.71	139.41
Fixed Deposits under Special Deposit Schemes of Central Government*	0.09	7.24	-	-	16.97	16.97
Insurance fund*	41.81	44.38	-	-	-	-
Equity Shares of Listed Entities/ Mutual funds	0.22	4.32	-	-	14.55	20.32
Global Equities	-	-	-	284.87	-	-
Others*	0.13	0.13	-	-	12.03	28.38
<b>Total</b>	<b>43.00</b>	<b>88.96</b>	-	<b>890.23</b>	<b>207.78</b>	<b>364.37</b>

\* Except these, all the other investments are quoted.

**I. Other Details**

**Funded Gratuity**

Particulars	As at	
	31 March 2023	31 March 2022
Number of Active Members	12,209	7,519
Per Month Salary For Active Members	22.91	28.42
Average Expected Future Service (Years)	2 to 7 Years	5 to 8 Years
Projected Benefit Obligation (PBO) (Rs. In crores)	56.95	124.50
Prescribed Contribution For Next Year (12 Months) (Rs. In crores)	6.08	29.93

**J. Cash Flow Projection: From the Fund**

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended	
	31 March 2023	31 March 2022
1st Following Year	24.08	25.21
2nd Following Year	8.37	11.62
3rd Following Year	6.50	11.73
4th Following Year	5.50	11.15
5th Following Year	4.74	10.44
Sum of Years 6 To 10 Years	13.04	50.04

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

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

Weighted average duration of the defined benefit obligation is in the range of 3-10 years (Previous year 7-10 years)

**K. Sensitivity Analysis**

Projected Benefit Obligation	Gratuity - Funded		Pension - Funded		Gratuity - Non Funded	
	As at 31 March	As at 31 March	As at 31 March	As at 31 March	As at 31 March	As at 31 March
Impact of +1% Change in Rate of Discounting	(1.38)	(6.16)	-	-	NA	NA
Impact of -1% Change in Rate of Discounting	1.51	4.54	-	-	NA	NA
Impact of +1% Change in Rate of Salary Increase	1.46	6.37	-	-	NA	NA
Impact of -1% Change in Rate of Salary Increase	(1.15)	(6.13)	-	-	NA	NA

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

The liability for Long term Service Awards (Non - Funded) as at year end is Rs. 0.16 Crores (Previous year - Rs. 3.77 crores)

The liability for Leave Encashment (Non - Funded) as at year end is Rs. 22.13 Crores (Previous year Rs. 19.20 Crores)



**55 Related Party Disclosures**

**I. List of related parties**

**A. Entities in Promoter group**

The Ajay G Piramal Foundation @  
Piramal Phytocare Limited Senior Employees Option Trust @  
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr (Mrs) Swati A. Piramal @  
Aasan Corporate Solutions Private Limited \*  
Piramal Welfare Trust through its Trustee, Piramal Corporate Services Limited @  
PRL Realtors LLP @  
Anand Piramal Trust @  
Nandini Piramal Trust @  
V3 Designs LLP @

\* Aasan Info Solutions (India) Private Limited got merged into Aasan Corporate Solutions Private Limited on 21 January 2022

@There are no transactions during the year

**B. Subsidiaries - Refer Note 53 (a) for list of subsidiaries.**

**C. Other related parties \***

Gopikrishna Piramal Memorial Hospital  
Piramal Corporate Services Limited  
Brickex Advisors Private Limited  
PRL Developers Private Limited (PRL)  
PRL Agastya Private Limited (upto 11 December 2022, subsidiary w.e.f 12 December 2022)  
Piramal Trusteeship Services Private Limited  
Glider Buildcon Realtors Private Limited  
Social Worth Technologies Private Limited  
Piramal Pharma Limited  
PEL Pharma Inc  
Piramal Dutch Holdings N V  
Piramal Critical Care Limited  
Piramal Foundation #  
Piramal Foundation for Education Leadership #

\*where there are transactions during the current or previous year

# Considered as related party under scale based regulation in FY 2023

**Employee Benefit Trusts**

Staff Provident Fund of Piramal Healthcare Limited  
Piramal Pharma Limited Employees PF Trust

**D. Associates and Joint Ventures**

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2023	% voting power held as at March 31, 2022	Relationship as at 31 March 2023	Relationship as at 31 March 2022
Shrilekha Business Consultancy Private Limited (upto 9 November 2022)	India	0.00%	74.95%	N.A.	Joint Venture
Shriram Capital Limited (mainly through Shrilekha Business Consultancy Private Limited) (upto 9 November 2022)	India	0.00%	20.00%	N.A.	Associate
Allergan India Private Limited (other related party w.e.f 1 April 2022)	India	0.00%	39.20%	Other related party	Associate
India Resurgence ARC Private Limited (Formerly known as Piramal Assets Reconstruction Private Limited)	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited)	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence Fund - Scheme - 2	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence ARC Trust I (Investment redeemed w.e.f 14 October 2021)	India	0.00%	0.00%	N.A.	N.A.
Piramal Ivanhoe Residential Equity Fund I (Investment redeemed w.e.f 27 December 2021)	India	0.00%	0.00%	N.A.	N.A.
Shriram GI Holdings Private Limited (w.e.f 9 November 2022)	India	20.00%	0.00%	Associate	N.A.
Shriram LI Holdings Private Limited (w.e.f 9 November 2022)	India	20.00%	0.00%	Associate	N.A.
Shriram Investment Holdings Limited (w.e.f 9 November 2022)	India	20.00%	0.00%	Associate	N.A.
Asset Resurgence Mauritius Manager	Mauritius	50.00%	50.00%	Joint Venture	Joint Venture
Yapan Bio Private Limited (w.e.f 20th December 2021 and other related party w.e.f 1 April 2022)	India	0.00%	22.30%	Other related party	Associate
Piramal Structured Credit Opportunities Fund	India	25.00%	25.00%	Joint Venture	Joint Venture
DHFL Venture Trustee Company Private Limited	India	45.00%	45.00%	Associate	Associate
Pramerica Life Insurance Limited	India	50.00%	50.00%	Joint Venture	Joint Venture

**E. Other Intermediaries:**

Shriram City Union Finance Limited (upto 9 November 2022)

**F. Key Management Personnel**

Mr. Ajay G. Piramal - Chairman and Executive Director  
Dr. (Mrs) Swati A. Piramal - Vice Chairman and Executive Director  
Mr. Anand Piramal - Executive Director  
Ms. Nandini Piramal - Executive Director (w.e.f 1 April, 2021 and up to 31 August 2022)  
Mr. Rajesh Laddha - Executive Director & Group CFO (w.e.f 11 May, 2020 and resigned on 10 February 2022)  
Mr. Khushru Jijina - Executive Director (w.e.f 1 April, 2021 and up to 31 August 2022)  
Ms. Upma Goel - Chief Financial Officer (w.e.f 18 August 2022)  
Mr. Vivek Valsaraj - Chief Financial Officer (up to 18 August 2022)  
Mr. Bipin Singh - Company Secretary

**G. Relatives of Key Management Personnel**

Mr. Peter De Young [Husband of Ms. Nandini Piramal] (upto 26 August 2022)





**H. Non Executive/Independent Directors**

Mr. Gautam Banerjee (Resigned w.e.f. 31 March 2022)  
Mr. N. Vaghul (upto 9 November 2022)  
Mr. S. Ramadorai  
Mr. Deepak Satwalekar (upto 26 July 2021)  
Mr. Kunal Bahl  
Mr. Suhail Nathani  
Ms. Anjali Bansal  
Mr. Puneet Dalma (appointed w.e.f. 7 October 2021)  
Ms. Anita George (appointed w.e.f. 10 February 2022)  
Ms. Shikha Sharma (appointed w.e.f. 31 March 2022)  
Mr. Rajiv Mehrishi (w.e.f. 26 May 2022)  
Mr. Gautam Doshi (w.e.f. 31 October 2022)

**2. Details of transactions with related parties**

Details of Transactions	Jointly Controlled Entities		Associates		Other Related Parties (including Promoter group entities)		Total	
	For the year ended 31 March							
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Purchase of Goods</b>								
- Piramal Pharma Limited	-	-	-	-	31.63	-	31.63	-
<b>TOTAL</b>	-	-	-	-	<b>31.63</b>	-	<b>31.63</b>	-
<b>Sale of Goods</b>								
- Allergan India Private Limited	-	-	-	66.06	-	-	-	66.06
<b>TOTAL</b>	-	-	-	<b>66.06</b>	-	-	-	<b>66.06</b>
<b>Rendering of Services</b>								
- Piramal Pharma Limited	-	-	-	-	56.58	-	56.58	-
- Piramal Structured Credit Opportunities Fund	5.82	1.72	-	-	-	-	5.82	1.72
- Piramal Foundation	-	-	-	-	0.05	-	0.05	-
<b>TOTAL</b>	<b>5.82</b>	<b>1.72</b>	-	-	<b>56.63</b>	-	<b>62.45</b>	<b>1.72</b>
<b>Receiving of services</b>								
- PRL Agastya Private Limited	-	-	-	-	-	5.70	-	5.70
<b>TOTAL</b>	-	-	-	-	-	<b>5.70</b>	-	<b>5.70</b>
<b>Interest Received on investments / loans</b>								
- India Resurgence Asset Management Business Private Limited	1.43	1.49	-	-	-	-	1.43	1.49
- India Resurgence ARC Private Limited	2.15	0.78	-	-	-	-	2.15	0.78
- India Resurgence Fund Scheme-II	66.23	57.70	-	-	-	-	66.23	57.70
- Piramal Structured Credit Opportunities Fund	2.83	-	-	-	-	-	2.83	-
- PRL Developers Private Limited	-	-	-	-	0.03	-	0.03	-
<b>TOTAL</b>	<b>72.64</b>	<b>59.97</b>	-	-	<b>0.03</b>	-	<b>72.68</b>	<b>59.97</b>
<b>Interest Paid on loans</b>								
- Pramerica Life Insurance Limited	1.89	0.98	-	-	-	-	1.89	0.98
<b>TOTAL</b>	<b>1.89</b>	<b>0.98</b>	-	-	-	-	<b>1.89</b>	<b>0.98</b>
<b>Royalty Expense</b>								
- Piramal Corporate Services Limited	-	-	-	-	65.43	112.10	65.43	112.10
<b>TOTAL</b>	-	-	-	-	<b>65.43</b>	<b>112.10</b>	<b>65.43</b>	<b>112.10</b>
<b>Rent Expense</b>								
- Gopikrishna Piramal Memorial Hospital	-	-	-	-	0.26	0.84	0.26	0.84
- Aasan Corporate Solutions Private Limited	-	-	-	-	20.12	23.95	20.12	23.95
- PRL Agastya Private Limited	-	-	-	-	2.80	1.35	2.80	1.35
- Piramal Pharma Limited	-	-	-	-	4.79	-	4.79	-
<b>TOTAL</b>	-	-	-	-	<b>27.97</b>	<b>26.14</b>	<b>27.97</b>	<b>26.14</b>
<b>Professional Fees</b>								
- Piramal Trusteeship Services Private Limited	-	-	-	-	0.10	0.04	0.10	0.04
- Piramal Structured Credit Opportunities Fund	0.39	0.18	-	-	-	-	0.39	0.18
- India Resurgence Fund Scheme-II	6.77	-	-	-	-	-	6.77	-
- Social Worth Technologies Private Limited	-	-	-	-	43.46	-	43.46	-
<b>TOTAL</b>	<b>7.16</b>	<b>0.18</b>	-	-	<b>43.56</b>	<b>0.04</b>	<b>50.72</b>	<b>0.22</b>
<b>Commission Expense</b>								
- Social Worth Technologies Private Limited	-	-	-	-	2.71	-	2.71	-
<b>TOTAL</b>	-	-	-	-	<b>2.71</b>	-	<b>2.71</b>	-
<b>Guarantee commission income</b>								
- PEL Pharma Inc	-	-	-	-	0.75	-	0.75	-
- Piramal Dutch Holdings N.V.	-	-	-	-	1.31	-	1.31	-
- Piramal Critical Care Limited	-	-	-	-	2.15	-	2.15	-
<b>TOTAL</b>	-	-	-	-	<b>4.21</b>	-	<b>4.21</b>	-
<b>Donation Given</b>								
- Piramal Foundation for Education Leadership	-	-	-	-	15.90	8.40	15.90	8.40
- Piramal Foundation	-	-	-	-	31.38	14.62	31.38	14.62
- Kaivalya Education Foundation	-	-	-	-	5.73	4.25	5.73	4.25
<b>TOTAL</b>	-	-	-	-	<b>53.01</b>	<b>27.27</b>	<b>53.01</b>	<b>27.27</b>
<b>Intangible assets under development</b>								
- Piramal Foundation for Education Leadership	-	-	-	-	2.99	-	2.99	-
<b>TOTAL</b>	-	-	-	-	<b>2.99</b>	-	<b>2.99</b>	-
<b>Reimbursements of expenses recovered</b>								
- Aasan Corporate Solutions Private Limited	-	-	-	-	0.20	-	0.20	-
<b>TOTAL</b>	-	-	-	-	<b>0.20</b>	-	<b>0.20</b>	-
<b>Reimbursements of expenses paid</b>								
- Aasan Corporate Solutions Private Limited	-	-	-	-	0.84	0.81	0.84	0.81
- Brickex Advisors Private Limited	-	-	-	-	-	0.01	-	0.01
- Piramal Trusteeship Services Private Limited	-	-	-	-	0.08	-	0.08	-
- Social Worth Technologies Private Limited	-	-	-	-	0.87	-	0.87	-
- PRL Agastya Private Limited	-	-	-	-	0.81	-	0.81	-
<b>TOTAL</b>	-	-	-	-	<b>2.60</b>	<b>0.82</b>	<b>2.60</b>	<b>0.82</b>
<b>Processing fees charged</b>								
- PRL Developers Private Limited	-	-	-	-	2.20	-	2.20	-
<b>TOTAL</b>	-	-	-	-	<b>2.20</b>	-	<b>2.20</b>	-

Details of Transactions	Jointly Controlled Entities		Associates		Other Related Parties (including Promoter group entities)		Total	
	For the year ended 31 March							
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Premium Paid</b>								
- Pramerica Life Insurance Limited	1.36	-	-	-	-	-	1.36	-
<b>TOTAL</b>	<b>1.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.36</b>	<b>-</b>
<b>Security deposit placed</b>								
- PRL Agastya Private Limited	-	-	-	-	4.75	1.10	4.75	1.10
- Aasan Corporate Solutions Private Limited	-	-	-	-	0.73	-	0.73	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.48</b>	<b>1.10</b>	<b>5.48</b>	<b>1.10</b>
<b>Security deposit refunded</b>								
- Aasan Corporate Solutions Private Limited	-	-	-	-	1.41	1.85	1.41	1.85
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.41</b>	<b>1.85</b>	<b>1.41</b>	<b>1.85</b>
<b>Redemption of Security Receipt</b>								
- India Resurgence ARC Private Limited	546.77	-	-	-	-	-	546.77	-
<b>TOTAL</b>	<b>546.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>546.77</b>	<b>-</b>
<b>Dividend Income</b>								
- Shriekha Business Consultancy Private Limited	-	58.80	-	-	-	-	-	58.80
- Shriram GI Holdings Private Limited	-	-	37.60	-	-	-	37.60	-
- Shriram LI Holdings Private Limited	-	-	7.10	-	-	-	7.10	-
- Shriram City Union Finance Limited	-	-	-	-	-	39.96	-	39.96
- Allergan India Private Limited	-	-	-	-	90.65	-	-	90.65
- Piramal Structured Credit Opportunities Fund	30.38	9.44	-	-	-	-	30.38	9.44
<b>TOTAL</b>	<b>30.38</b>	<b>68.24</b>	<b>44.70</b>	<b>90.65</b>	<b>-</b>	<b>39.96</b>	<b>75.08</b>	<b>198.85</b>
<b>Finance granted (repayments) - Net (including loans and Equity contribution in cash or in kind)</b>								
- Piramal Ivanhoe Residential Equity Fund I	-	(119.70)	-	-	-	-	-	(119.70)
- Pramerica Life Insurance Limited	(1.46)	-	-	-	-	-	(1.46)	-
- India Resurgence ARC Private Limited	2.77	-	-	-	-	-	2.77	-
- India Resurgence Fund Scheme-II	767.79	66.57	-	-	-	-	767.79	66.57
- India Resurgence ARC Trust I	-	(48.69)	-	-	-	-	-	(48.69)
- Piramal Structured Credit Opportunities Fund	95.09	115.14	-	-	-	-	95.09	115.14
- PRL Developers Private Limited	-	-	-	-	199.29	-	199.29	-
- Brickex Advisors Private Limited	-	-	-	-	0.91	-	0.91	-
- Social Worth Technologies Private Limited	-	-	-	-	50.95	-	50.95	-
<b>TOTAL</b>	<b>864.19</b>	<b>13.32</b>	<b>-</b>	<b>-</b>	<b>251.16</b>	<b>-</b>	<b>1,115.35</b>	<b>13.32</b>
<b>FLDG Recovery</b>								
- Social Worth Technologies Private Limited	-	-	-	-	9.64	-	9.64	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.64</b>	<b>-</b>	<b>9.64</b>	<b>-</b>
<b>Insurance Commission Income</b>								
- Pramerica Life Insurance Limited	9.46	0.76	-	-	-	-	9.46	0.76
<b>TOTAL</b>	<b>9.46</b>	<b>0.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.46</b>	<b>0.76</b>
<b>Lease Rent Income</b>								
- Pramerica Life Insurance Limited	0.11	0.08	-	-	-	-	0.11	0.08
<b>TOTAL</b>	<b>0.11</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.11</b>	<b>0.08</b>
<b>Contribution to Funds</b>								
Staff Provident Fund of Piramal Healthcare Limited	-	-	-	-	10.69	9.47	10.69	9.47
Piramal Pharma Limited Employees PF Trust	-	-	-	-	-	26.97	-	26.97
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.69</b>	<b>36.44</b>	<b>10.69</b>	<b>36.44</b>

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

**Compensation of key managerial personnel**

The compensation of directors and other members of key managerial personnel and its relatives are as follows:

Particulars	For the year ended 31 March	
	2023	2022
Short-term employee benefits (excluding perquisites)	6.46	46.75
Post-employment benefits	0.75	2.97
Other long-term benefits	0.39	0.03
Commission and other benefits to non-executive/ independent directors	3.44	3.22
Professional Fees paid to non-executive directors	1.80	-
<b>Total</b>	<b>12.84</b>	<b>52.97</b>

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee.

Excludes transactions with related parties in their capacity as shareholders.





3. Balances of related parties

Account Balances	Jointly Controlled Entities		Associates		Other Related Parties (including Promoter group entities)		Total	
	As at 31 March							
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Other Receivables</b>								
- Buckex Advisors Private Limited	-	-	-	-	-	0.91	-	0.91
- Piramal Healthcare UK Limited	-	-	-	-	(0.06)	-	(0.06)	-
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	4.11	-	4.11
- Allergan India Private Limited	-	-	-	10.15	-	-	-	10.15
- Piramal Structured Credit Opportunities Fund	3.84	0.32	-	-	-	-	3.84	0.32
- PRL Agastya Private Limited	-	-	-	-	-	1.10	-	1.10
- Pramrica Life Insurance Limited	5.60	0.54	-	-	-	-	5.60	0.54
- Social Worth Technologies Private Limited	-	-	-	-	5.32	-	5.32	-
<b>TOTAL</b>	<b>9.44</b>	<b>0.86</b>	<b>-</b>	<b>10.15</b>	<b>5.26</b>	<b>6.12</b>	<b>14.69</b>	<b>17.13</b>
<b>Long-Term Financial Assets</b>								
- Aasan Corporate Solutions Private Limited	-	-	-	-	10.68	7.28	10.68	7.28
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.68</b>	<b>7.28</b>	<b>10.68</b>	<b>7.28</b>
<b>Interest Receivable</b>								
- PRL Developers Private Limited	-	-	-	-	0.03	-	0.03	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>0.03</b>	<b>-</b>
<b>Guarantee Commission Receivable / (Payable)</b>								
- Piramal Healthcare Inc	-	-	-	-	(0.13)	-	(0.13)	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.13)</b>	<b>-</b>	<b>(0.13)</b>	<b>-</b>
<b>Trade Payables</b>								
- Piramal Corporate Services Limited	-	-	-	-	4.87	62.03	4.87	62.03
- Aasan Corporate Solutions Private Limited	-	-	-	-	0.68	0.17	0.68	0.17
- Gopikrishna Piramal Memorial Hospital	-	-	-	-	0.16	0.16	0.16	0.16
- PRL Agastya Private Limited	-	-	-	-	-	1.09	-	1.09
- Piramal Pharma Limited	-	-	-	-	8.54	-	8.54	-
- Piramal Pharma Inc	-	-	-	-	0.04	-	0.04	-
- Piramal Critical Care Deutschland GmbH	-	-	-	-	0.08	-	0.08	-
- Piramal Dutch Holdings N.V.	-	-	-	-	0.23	-	0.23	-
- Others	-	-	-	-	-	0.01	-	0.01
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.60</b>	<b>63.46</b>	<b>14.60</b>	<b>63.46</b>
<b>Investments</b>								
- India Resurgence Asset Management Business Private Limited	13.14	13.14	-	-	-	-	13.14	13.14
- India Resurgence ARC Private Limited	103.13	-	-	-	-	-	103.13	-
- India Resurgence Fund Scheme-II	294.55	236.76	-	-	-	-	294.55	236.76
- Social Worth Technologies Private Limited	-	-	-	-	178.19	-	178.19	-
- Pramrica Life Insurance Limited	907.22	957.14	-	-	-	-	907.22	957.14
- DHFL Ventures Trustee Company Private Limited	0.04	0.04	-	-	-	-	0.04	0.04
- Piramal Structured Credit Opportunities Fund	-	161.12	-	-	-	-	-	161.12
<b>TOTAL</b>	<b>1,318.08</b>	<b>1,368.20</b>	<b>-</b>	<b>-</b>	<b>178.19</b>	<b>-</b>	<b>1,496.27</b>	<b>1,368.20</b>
<b>Loans to related parties - secured (at amortised cost)</b>								
- PRL Developers Private Limited	-	-	-	-	109.29	-	109.29	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109.29</b>	<b>-</b>	<b>109.29</b>	<b>-</b>
<b>Intangible assets under development</b>								
- Piramal Foundation for Education Leadership	-	-	-	-	2.72	-	2.72	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.72</b>	<b>-</b>	<b>2.72</b>	<b>-</b>
<b>NCD Payable</b>								
- Pramrica Life Insurance Limited	26.98	-	-	-	-	-	26.98	-
<b>TOTAL</b>	<b>26.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.98</b>	<b>-</b>
<b>Current Account balances with related parties</b>								
- India Resurgence Asset Management Business Private Limited	-	0.36	-	-	-	-	-	0.36
- PEL Pharma Inc	-	-	-	-	(0.04)	-	(0.04)	-
- Piramal Critical Care UK Limited	-	-	-	-	(0.18)	-	(0.18)	-
- PRL Developers Private Limited	-	-	-	-	0.10	0.10	0.10	0.10
- Glider Buildcon Realtors Private Limited	-	-	-	-	-	0.13	-	0.13
<b>TOTAL</b>	<b>-</b>	<b>0.36</b>	<b>-</b>	<b>-</b>	<b>(0.13)</b>	<b>0.23</b>	<b>(0.13)</b>	<b>0.59</b>





## 56 Capital Management

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or combination of short term /long term debt as may be appropriate. The Group determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

Certain group companies are subjected to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the certain Group Companies is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital.

Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to certain group companies, consisting of Tier I and Tier II capital, shall not be less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The applicable group companies has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI and NHB. Refer Note 26 for dividend paid and proposed by the Holding Company.

## 57 Risk Management

Risk Management is an integral part of the Group's business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. Group's risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Group is exposed to various types of risks, the most important among them are liquidity risk, interest rate risk, credit risk, regulatory risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Group.

The Risk Management Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with NHB, RBI and other regulators of the group entities.

The Group's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices.

The Audit and Risk Management Committee of the Board ("ARMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The ARMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Group and broadly perceives the risk arising from (i) credit risk, (ii) liquidity risk, (iii) interest rate risk and (iv) fraud risk and operational risk (v) regulatory risk

### 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 Group has an Asset Liability Management Policy in place, which is in line with NHB/RBI guidelines for Housing and Non- Banking Finance Companies. The ALCO is responsible for the management of the companies funding and liquidity requirements. The Group manages liquidity risk by maintaining unutilised banking facilities, credit lines and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

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

Particulars	As at	
	31 March 2023	31 March 2022
- Expiring within one year (including bank overdraft)	100.00	7,677.35
- Expiring beyond one year	-	-
	<b>100.00</b>	<b>7,677.35</b>

Note: This includes Non-Convertible Debentures, Inter Corporate Deposits and Commercial Papers where only credit rating has been obtained and which can be issued, if required, within a short period of time. Further, the facilities related to Commercial Papers are generally rolled over.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of 31 March 2023 and 31 March 2022 respectively has been considered. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Maturities of Financial Liabilities	As at March 31, 2023			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	19,159.85	17,649.91	10,878.07	14,025.41
Trade Payables	399.27	-	-	-
Lease Liabilities	63.63	106.99	76.28	55.50
Other Financial Liabilities	1,684.78	-	-	-
	<b>21,307.54</b>	<b>17,756.91</b>	<b>10,954.36</b>	<b>14,080.91</b>
Maturities of Financial Liabilities	As at March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	15,698.17	21,678.30	13,958.64	19,629.72
Trade Payables	1,696.93	-	-	-
Lease Liabilities	77.22	126.68	42.44	129.22
Other Financial Liabilities	1,421.43	-	-	-
	<b>18,893.75</b>	<b>21,804.99</b>	<b>14,001.07</b>	<b>19,758.94</b>



**Piramal Enterprises Limited**  
**Notes to the consolidated financial statements (Continued)**

For the year ended 31 March, 2023

(Currency : Rs in crores)

The following table details the Group'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 Group's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

Maturities of Financial Assets	As at 31 March, 2023			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	27,308.66	23,589.42	16,494.77	22,588.44
Other financial assets*	835.16	-	-	106.72
Trade Receivables	19.40	-	-	-
	<b>28,163.22</b>	<b>23,589.42</b>	<b>16,494.77</b>	<b>22,695.16</b>

Maturities of Financial Assets	As at 31 March 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	18,756.38	30,380.57	17,322.68	29,121.64
Other financial assets*	3.52	139.10	-	-
Trade Receivables	1,621.22	-	-	-
	<b>20,381.12</b>	<b>30,519.66</b>	<b>17,322.68</b>	<b>29,121.64</b>

\*to the extent considered for the group liquidity management

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as at 31 March 2023.

In assessing whether the going concern assumption is appropriate, the Group has considered a range of factors relating to current and expected profitability, debt repayment schedule and potential sources of replacement financing. The Group has performed sensitivity analysis on such factors considered and based on current indicators of future economic conditions; there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

In case of commitments, the expected maturities are as under:

**(A) Loan commitments**

Particulars	As at	
	31 March 2023	31 March 2022
Commitment to invest in Loans / Inter Company Deposits	4,342.45	3,576.48

**(B) Other commitments**

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Upto 1 year	1 to 3 years	Upto 1 year	1 to 3 years
Commitment to invest in AIF	-	69.00	-	78.09
<b>TOTAL</b>	<b>-</b>	<b>69.00</b>	<b>-</b>	<b>78.09</b>

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

**Commitment as on 31 March 2023**

Fund Name	Total Commitment (USD Mio)	Balance Commitment (USD Mio)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund	-	-	2,021.13	119.31
India Resurgence Fund - Scheme 2	100.00	59.03	737.37	485.28
Piramal Structured Credit Opportunities Fund	-	-	532.00	194.40

**Commitment as on 31 March 2022**

Fund Name	Total Commitment (USD Mio)	Balance Commitment (USD Mio)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund	-	-	3,383.02	153.27
India Resurgence Fund - Scheme 2	100.00	66.04	737.37	500.61
Piramal Structured Credit Opportunities Fund	-	-	532.00	320.00



The table below shows the contractual maturity profile of carrying value of assets and liabilities

ASSETS	As at 31 March 2023		Total
	Within 12 months	After 12 months	
<b>I. Financial assets:</b>			
(a) Cash and cash equivalents	3,729.00	-	3,729.00
(b) Bank balances other than cash and cash equivalents	48.96	871.12	920.08
(c) Derivative financial instruments	-	98.11	98.11
(d) Trade receivables	19.40	-	19.40
(e) Loans	14,505.39	31,889.24	46,394.63
(f) Investments	8,298.94	14,032.85	22,331.79
(g) Other financial assets	913.34	30.17	943.51
<b>Total Financial assets</b>	<b>27,515.03</b>	<b>46,921.49</b>	<b>74,436.52</b>
<b>2. Non- financial assets:</b>			
(a) Current tax assets (net)	723.93	743.25	1,467.18
(b) Deferred tax assets (net)	-	1,847.18	1,847.18
(c) Investment Property	-	2,310.26	2,310.26
(d) Property, Plant and Equipment	-	336.20	336.20
(e) Right of use assets	-	220.25	220.25
(f) Intangible Assets under development	-	6.25	6.25
(g) Goodwill	-	272.17	272.17
(h) Other Intangible Assets	-	123.89	123.89
(i) Other non-financial assets	73.40	381.32	454.72
(j) Assets classified as held for sale	2,277.54	-	2,277.54
<b>Total Non-financial assets</b>	<b>3,074.87</b>	<b>6,240.77</b>	<b>9,315.64</b>
<b>Total Assets</b>	<b>30,589.89</b>	<b>53,162.26</b>	<b>83,752.16</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1. Financial liabilities:</b>			
(a) Payables			
Trade payables			
(i) Total outstanding dues to micro and small enterprises	3.81	-	3.81
(ii) Total outstanding dues to creditors other than micro and small enterprises	395.46	-	395.46
(b) Debt securities	5,392.83	24,453.34	29,846.17
(c) Borrowings (other than debt securities)	10,382.25	9,155.55	19,537.80
(d) Deposits	70.41	1.55	71.96
(e) Subordinated debt liabilities	-	126.88	126.88
(f) Other financial liabilities	1,493.25	191.53	1,684.78
<b>Total Financial liabilities</b>	<b>17,738.01</b>	<b>33,928.85</b>	<b>51,666.86</b>
<b>2. Non- financial liabilities:</b>			
(a) Current tax liabilities (net)	720.93	0.23	721.16
(b) Provisions	100.46	22.04	122.50
(c) Other non- financial liabilities	180.85	1.71	182.56
<b>Total Non-financial liabilities</b>	<b>1,002.24</b>	<b>23.98</b>	<b>1,026.22</b>
<b>3. Equity</b>			
(a) Equity share capital	-	47.73	47.73
(b) Other equity	-	31,011.35	31,011.35
<b>Total Equity</b>	<b>-</b>	<b>31,059.08</b>	<b>31,059.08</b>
<b>Total Liabilities and Equity</b>	<b>18,740.25</b>	<b>65,011.91</b>	<b>83,752.16</b>

The Holding company used to present the consolidated financial statements under the Division II format of Schedule III until the previous year. To provide impact to the composite scheme of arrangement, the Holding Company has adopted the Division III format. Hence, the previous year figures have not been presented.





**b. Interest Rate Risk Management**

**Retail lending:**

The Group is exposed to minimal interest rate risk as its assets and liabilities are based on floating interest rates. The Group has an approved Asset and Liability Management Policy which empowers the ALCO to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk.

**Wholesale lending:**

The Group is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on a periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

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

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Group has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on a periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at	
	31 March 2023	31 March 2022
Variable rate borrowings	17,572.33	18,856.48
Fixed rate borrowings	32,010.48	36,594.51
	<b>49,582.81</b>	<b>55,450.99</b>

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

If interest rates related to borrowings had been 100 basis points higher/lower and all other variables were held constant for INR loans, the Group's

- Profit before tax for the year ended / Other Equity (pre tax) as on 31 March 2023 would decrease/increase by Rs. 175.72 Crores (Previous year Rs. 153.99 Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

If the interest rates related to borrowings had been 25 basis points higher / lower and all other variables were held constant for the Foreign currency loans, the Group's

- Profit before tax for the year ended / Other Equity (pre tax) as on 31 March 2023 would decrease/increase by Rs. 1.57 Crores (Previous year Rs. 8.95 Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

If interest rates related to loans given / debentures invested had been 100 basis points higher/lower and all other variables were held constant, the Group's

- Profit before tax for the year ended / Other Equity (pre tax) as on 31 March 2023 would increase/decrease by Rs. 577.47 Crores (Previous year: Rs. 569.94 Crores) respectively. This is attributable to the Group's exposure to lendings at floating interest rates.

**c. Other price risks**

The Group is exposed to equity price risks arising from equity investments and classified in the balances sheet at fair value through Other Comprehensive Income.

**Equity price sensitivity analysis:**

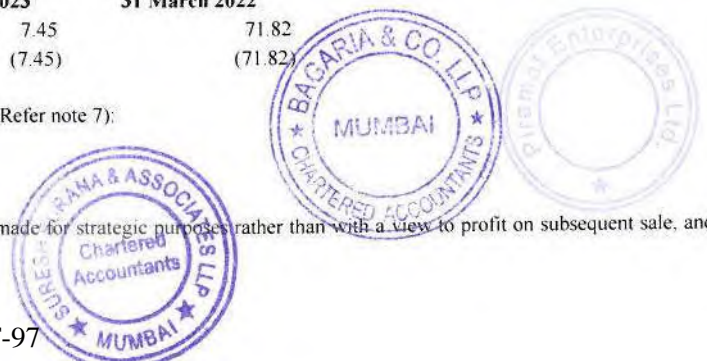
The table below summarises the impact of increases/decreases on the Group's Equity and OCI for the period. Analysis is based on the assumption that equity index had increased/decreased by 5% with all the other variables held constant, and these investments moved in the line with the index.

Particulars	Impact on OCI	
	As at	
	31 March 2023	31 March 2022
Equity Index, Increase by 5%	7.45	71.82
Equity Index, Decrease by 5%	(7.45)	(71.82)

The Group has designated the following securities as FVTOCI Investments (Refer note 7):

- Shriram City Union Finance Limited (upto 9 November 2022)
- Clarivate Plc

The Group chose this presentation alternative because the investment were made for strategic purposes rather than with a view to profit on subsequent sale, and there are no plans to dispose of these investments.





**d. Foreign Currency Risk Management**

The Group is exposed to Currency Risk arising from its trade exposures and Capital receipts / payments denominated, in other than the Functional Currency. The Group has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency i.e. INR. The Group has taken foreign currency floating rate borrowing which is linked to LIBOR. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the INR cash flows of highly probable forecast transactions.

The Group has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability to manage the foreign exchange risk along with interest rate risk arising from changes in LIBOR on such borrowings. As per the Group's policy, the critical terms of hedging instrument must align with the hedged items. The Group has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

**a) Derivatives outstanding as at the reporting date**

i. Hedge of firm commitment and highly probable forecast transactions	As at 31 March 2023		As at 31 March 2022	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
Forward contracts to sell USD / INR	-	-	140.00	1,083.05

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

Currencies	As at 31 March 2023		As at 31 March 2022	
	Trade receivables		Trade receivables	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
EUR	-	-	14.68	123.64
USD	0.02	0.14	87.23	658.03
GBP	0.01	0.06	2.22	22.08
AUD	-	-	0.73	4.14
CHF	-	-	0.09	0.74
CAD	-	-	7.30	44.15
ZAR	-	-	9.73	5.08
SGD	-	-	0.08	0.43
HKD	-	-	0.46	0.44
IDR	-	-	36,175.29	19.17
YEN	-	-	226.89	14.10
CZK	-	-	45.53	15.66

Currencies	As at 31 March 2023		As at 31 March 2022	
	Trade payables		Trade payables	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
CHF	0.01	0.10	0.20	1.65
EUR	0.03	0.31	1.61	13.59
GBP	0.00	0.06	0.93	9.28
JPY	-	-	6.29	0.39
USD	0.09	0.71	27.80	205.79
HKD	-	-	0.03	0.02
THB	-	-	0.43	0.10
AUD	-	-	0.01	0.03
CAD	-	-	(0.00)	(0.02)
IDR	-	-	12,981.62	6.88
CZK	-	-	0.64	0.22
AED	-	-	0.07	0.14

Currencies	As at 31 March 2023				As at 31 March 2022			
	Loan from Banks		Current Account Balances		Loan from Banks		Current Account Balances	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
USD	-	-	10.73	88.17	-	-	33.90	257.05
GBP	-	-	0.01	0.14	0.78	7.80	0.02	0.17
EUR	-	-	-	-	1.87	15.78	(11.13)	(93.70)
CNY	-	-	-	-	-	-	0.21	0.25
RUB	-	-	0.06	0.01	-	-	0.90	0.20

Currencies	As at 31 March 2023		As at 31 March 2022	
	Cash & Cash Equivalents		Cash & Cash Equivalents	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
USD	-	-	(0.22)	(1.67)
GBP	-	-	(0.19)	(1.86)
CHF	-	-	0.01	0.81
EUR	-	-	0.23	1.94
IDR	-	-	1,302.96	0.69
CZK	-	-	4.47	1.54
ZAR	-	-	0.24	0.13
YEN	-	-	0.03	0.00
AUD	-	-	0.00	0.01

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

Currencies	Increase/Decrease	For the year ended 31 March 2023				For the year ended 31 March 2022			
		Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss / Other Equity for the year (Rs. In Crores)	Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss / Other Equity for the year (Rs. In Crores)
USD	Increase by 5%#	10.75	0.09	4.11	4.38	120.91	27.80	3.79	35.29
USD	Decrease by 5%#	10.75	0.09	(4.11)	(4.38)	120.91	27.80	(3.79)	(35.29)
GBP	Increase by 5%#	0.02	0.00	5.08	0.01	2.05	1.71	4.97	0.17
GBP	Decrease by 5%#	0.02	0.00	(5.08)	(0.01)	2.05	1.71	(4.97)	(0.17)
EUR	Increase by 5%#	-	0.03	4.47	(0.01)	14.91	14.61	4.21	0.13
EUR	Decrease by 5%#	-	0.03	(4.47)	0.01	14.91	14.61	(4.21)	(0.13)
CHF	Increase by 5%#	-	0.01	4.48	(0.00)	0.10	0.20	4.10	(0.04)
CHF	Decrease by 5%#	-	0.01	(4.48)	0.00	0.10	0.20	(4.10)	0.04

# Holding all the variables constant





**e. Accounting for cash flow hedge**

**(i) Cross-currency Interest Rate Swap**

The Group has taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the Group has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Group has designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the CCIRS, the Group pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

As at 31 March 2023, the Group has invested in floating rate government securities/bonds which are linked to treasury bill rate. For managing the interest rate risk arising from changes in treasury bill rate on such investments, the company has entered into an interest rate swaps (IRS) for the investments. The Group has designated the IRS (hedging instrument) and the investment (hedged item) into a hedging relationship and applied hedge accounting.

Under the terms of the IRS, the Group receives interest at fixed rate and pays interest at the floating rate based on daily compounded overnight FBIL MIBOR. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying fixed rates) are not exactly matched, the Company uses the hypothetical derivative method to assess effectiveness. The interest cash flows of the hypothetical derivative and interest rate swap are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument (interest rate swap) and hedged item (hypothetical derivative) have values that generally move in the opposite direction. There was no such contract outstanding as on 31 March 2022.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

During the year ended 31 March 2022, the date on which CCIRS and the borrowings were designated into hedging relationship is later than the date on which the respective contracts were entered into. This timing difference has caused hedge ineffectiveness to a certain extent, the effect of which has been recognised in profit or loss under the head Net Fair Value Changes.

Following table provides quantitative information regarding the hedging instrument as on 31 March 2023:

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments (included under "Financial assets")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
<b>Cash Flow Hedge</b>							
Foreign currency and Interest rate risk	522.64	95.12	Jun-24	1 : 1	9.30%	67.64	57.19
Cash Flow Hedge - Interest rate risk	125.00	2.99	Sep-23	1 : 1	6.76%	4.14	(4.29)

Following table provides the effects of hedge accounting on financial performance for the year ended 31 March 2023:

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
<b>Cash flow hedge</b>				
Interest Rate risk and Foreign Exchange Risk	70.63		(8.48)	Finance Cost
			(48.71)	Foreign Exchange (gain)/loss

Following table provides quantitative information regarding the hedging instrument as on 31 March, 2022:

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments (included under "Financial assets")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
<b>Cash Flow Hedge</b>							
Foreign currency and Interest rate risk	522.64	27.49	Jun-24	1 : 1	9.30%	33.28	20.29

Following table provides the effects of hedge accounting on financial performance for the year ended 31 March 2022:

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
<b>Cash flow hedge</b>				
Interest Rate risk and Foreign Exchange Risk	33.28	-	0.09	Finance Cost
			20.21	Foreign Exchange (gain)/loss



**e. Accounting for cash flow hedge**

**(i) Cross-currency Interest Rate Swap**

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

Particulars	Movement in Cash flow hedge reserve for the years ended	
	March 31, 2023	March 31, 2022
Opening balance	(6.25)	(15.96)
<b>Effective portion of changes in fair value:</b>		
a) Interest rate and foreign currency risk risk	70.63	33.28
Tax on movements on reserves during the year	(17.78)	(8.38)
<b>Net amount reclassified to profit or loss:</b>		
a) Interest rate risk	8.48	0.09
b) Foreign currency risk	48.71	20.21
Tax on movements on reserves during the year	(14.39)	(5.11)
<b>Closing balance</b>	<b>3.81</b>	<b>(6.25)</b>





**(ii) Accounting for cash flow hedge**

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

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

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

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

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

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

The table below enumerates the Group's hedging strategy, typical composition of the Group's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the year ended 31 March 2023:

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

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

**As at 31 March 2023**

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Cash Flow Hedge - Interest rate risk	-	-	-	-	-	-	-	-

**As at 31 March 2022**

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	13.00 (USD)	6.26	-	0.53	-	Not applicable	5.95	Revenue



(ii) Accounting for cash flow hedge

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

	As at 31 March 2023				As at 31 March 2022			
	Total	Upto 1 year	1-5 years	Over 5 years	Total	Upto 1 year	1-5 years	Over 5 years
<b>Foreign currency risk:</b>								
Forward exchange contracts			-	-	13.00 (USD)	13.00 (USD)	-	-
Average INR:USD forward contract rate			-	-	77.87	77.87	-	-

Movement in Cash flow hedge reserve	March 31, 2023
<b>As on 1 April 2021</b>	<b>5.74</b>
Effective portion of changes in fair value:	
Foreign exchange forward contracts	0.71
Tax on movements on reserves during the year	(0.18)
<b>Net amount reclassified to profit or loss:</b>	
Foreign exchange forward contracts	7.82
Tax on movements on reserves during the year	(2.00)
<b>As on 31 March 2022</b>	<b>12.09</b>
Less: Transferred as per composite scheme of arrangement (refer note 71)	(12.09)
<b>As on 31 March 2023</b>	<b>-</b>





**(f) Credit Risk**

The Group is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Retail lending:**

For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

**Wholesale lending:**

The Group's Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments made by the Group. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

**Credit Risk Management**

**For retail lending business, credit risk management is achieved by considering various factors like:**

- Assessment of borrower's capability to pay – detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters is assessed by an independent risk team.
- Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.
- Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

**For wholesale lending business, credit risk management is achieved by considering various factors like :**

- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
- Industry & micro-market risk – This is an assessment of the riskiness of the industry and/or micro-market to which the borrower/project belongs
- Project risk – This is an assessment of the standalone project from which interest servicing and principal repayment is expected to be done.
- Structure risk – This is an assessment of the loan structure which is characterized by its repayment tenor, moratorium, covenants, etc.
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in
- Exit – This is an assessment of the liquidity of the loan or investment.

Each of the above components of the risk analysis are assigned a specific weight which differ based on type of loan. The weights are then used with the scores of individual components for conversion to a risk rating.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

Risk Grading	Description
Dark Green	Extremely good loan
Green	Good loan
Yellow	Moderate loan
Amber	Weak loan
Red	Extremely weak loan

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned credit-rating agencies or mutual funds.

**Provision for Expected Credit Loss**

The Group has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. The Group makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No.vi of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired). For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdue. This is also as per the rebuttable presumption provided by the standard.

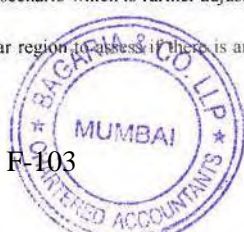
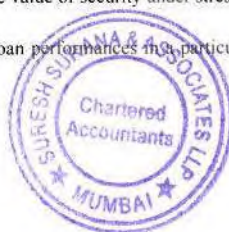
The Group provides for expected credit loss based on the following:

**Credit Risk Management**

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies or mutual funds.

**For retail lending business, credit risk management is achieved by considering various factors like :**

- Assessment of borrower's capability to pay – a detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters are assessed by an independent risk team.
- Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.
- Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region.





**For wholesale lending business, credit risk management is achieved by considering various factors like :**

- Cash flow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
- Exit – This is an assessment of the liquidity of the loan or investment.

The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

- Good Deals with very high risk adjusted returns
- Investment Grade Deals with high risk adjusted returns
- Management Review Grade Deals with risk adjusted returns required as per lending policy
- Not Advisable Grade Deals with lower than required risk adjusted returns

Further, a periodic review of the performance of the portfolio is also carried out by the Group's risk team. The Group's risk team adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

**Provision for Expected Credit Loss**

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking parameters, which are both qualitative and quantitative. These parameters have been detailed in note no. ix of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired). Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

The Group provides for expected credit loss based on the following:

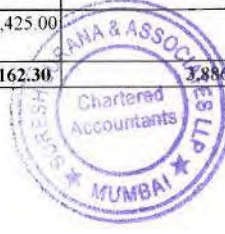
Category - Description	Stages	Basis for Recognition of Expected Credit Loss
Assets for which credit risk has not significantly increased from initial recognition	Stage 1 - Standard (Performing) Assets	12 month ECL
Assets for which credit risk has increased significantly but not credit impaired	Stage 2 - Significant Credit Deteriorated Assets	Life time ECL
Assets for which credit risk has increased significantly and credit impaired	Stage 3 - Default (Non-Performing) Assets (Credit Impaired)	Loss Given Default (LGD)
Purchased or Originated credit impaired (POCI)	POCI	Life time ECL

For the year ended 31 March 2023 and 31 March 2022, the Group has developed a PD Matrix after considering some parameters as stated below :

The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc. Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc) - (1) Sponsor strength (2) Overdues (3) Average debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Group has computed the PD. The Group has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Group has made use of a combination of both internal as well as external LGD. The Group also maintains Expected Credit Loss for undisbursed limits after applying the credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

**Expected Credit Loss as at the end of the reporting period:**

As at 31 March 2023				
Particulars	Asset Group	Exposure at Default	Expected Credit Loss	Net amount
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	2,629.64	116.93	2,512.71
	Loans at amortised cost	40,571.88	1,416.12	39,155.76
Assets for which credit risk has increased significantly but are not credit impaired	Investments at amortised cost	710.34	99.04	611.30
	Loans at amortised cost	4,842.27	1,276.11	3,566.16
Assets for which credit risk has increased significantly and are credit impaired	Investments at amortised cost	451.98	248.10	203.88
	Loans at amortised cost	1,531.19	729.70	801.49
Purchased or Originated credit impaired (POCI)	Loans at amortised cost	1,425.00	-	1,425.00
<b>Total</b>		<b>52,162.30</b>	<b>3,886.00</b>	<b>48,276.30</b>





As at 31 March 2022

Particulars	Asset Group	Exposure at Default	Expected Credit Loss	Net amount
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	6,676.02	192.00	6,484.02
	Loans at amortised cost	45,620.98	816.32	44,804.66
Assets for which credit risk has increased significantly but are not credit impaired	Investments at amortised cost	1,613.81	811.24	802.57
	Loans at amortised cost	2,164.12	561.59	1,602.53
Assets for which credit risk has increased significantly and are credit impaired	Investments at amortised cost	517.33	289.68	227.65
	Loans at amortised cost	2,005.57	940.31	1,065.26
Purchased or Originated credit impaired (POCI)	Loans at amortised cost	3,465.00	-	3,465.00
<b>Total</b>		<b>62,062.83</b>	<b>3,611.14</b>	<b>58,451.69</b>

a) Reconciliation of Loss Allowance

For the year ended 31 March 2023

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit- impaired	Purchased or Originated credit impaired (POCI)
Balance at the beginning of the year	1,008.32	1,372.83	1,229.99	-
Transferred to 12-month ECL	9.33	(4.09)	(5.26)	-
Transferred to Lifetime ECL not credit impaired	(158.48)	160.13	(1.65)	-
Transferred to Lifetime ECL credit impaired	(81.66)	(11.37)	93.03	-
Bad debts written off	(20.21)	(1,255.48)	(894.29)	-
<u>Charge to Statement of Profit and Loss</u>				
On Account of Rate Change	471.41	1,016.29	753.21	-
On Account of Disbursements	518.70	136.21	76.68	-
On Account of Repayments	(214.37)	(39.36)	(273.90)	-
<b>Balance at the end of the year</b>	<b>1,533.05</b>	<b>1,375.15</b>	<b>977.80</b>	<b>-</b>

For the year ended 31 March 2022

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit- impaired	Purchased or Originated credit impaired (POCI)
Balance at the beginning of the year	1,095.73	574.65	1,039.55	-
Transferred to 12-month ECL	84.50	(88.27)	(1.42)	-
Transferred to Lifetime ECL not credit impaired	(28.93)	28.93	-	-
Transferred to Lifetime ECL credit impaired	(11.09)	(0.79)	11.89	-
Bad debts written off	-	-	(30.58)	(16.45)
<u>Charge to Statement of Profit and Loss</u>				
On Account of Rate Change	(14.87)	737.91	245.05	16.45
On Account of Disbursements	242.76	135.77	0.98	-
On Account of Repayments	(359.78)	(15.37)	(35.48)	-
<b>Balance at the end of the year</b>	<b>1,008.32</b>	<b>1,372.83</b>	<b>1,229.99</b>	<b>-</b>

b) Expected Credit Loss on undrawn loan commitments / letter of comfort:

Particulars	31 March 2023	31 March 2022
Opening balance	113.72	109.83
Movements during the year	(35.46)	3.89
<b>Closing balance</b>	<b>78.26</b>	<b>113.72</b>

c) The amounts of Financial Assets outstanding in the Balance Sheet along with the undisbursed loan commitments and letter of comforts issued (refer note 57 (a)) as at the end of the reporting period represent the maximum exposure to credit risk.





**Description of Collateral held as security and other credit enhancements**

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

- i) First / Subservient charge on the Land and / or Building of the project or other projects
  - ii) First / Subservient charge on the fixed and current assets of the borrower
  - iii) Hypothecation over receivables from funded project or other projects of the borrower
  - iv) Pledge on Shares of the borrower or their related parties
  - v) Pledge on investment in shares made by borrower entity
  - vi) Guarantees of Promoters / Promoter Undertakings
  - vii) Post dated / Undated cheques
- d) The credit impaired assets as at the reporting dates were secured by charge on land and building, shares of listed entities, lease rentals and project receivables amounting to:

Particulars	As at 31 March 2023	As at 31 March 2022
Value of Security	1,005.37	1,292.91



58 Income taxes relating to operations

a) Tax expense recognised in statement of profit and loss

	Year ended	
	31 March 2023	31 March 2022
<b>Current tax (for continuing and discontinued operations):</b>		
In respect of the current year	2.69	934.77
In respect of prior years	(3,327.21)	-
	<u>(3,324.52)</u>	<u>934.77</u>
<b>Deferred tax (for continuing and discontinued operations):</b>		
Deferred Tax, net	(653.53)	(423.98)
	<u>(653.53)</u>	<u>(423.98)</u>
<b>Total tax expense recognised</b>	<u>(3,978.05)</u>	<u>510.79</u>
<b>Total tax expense attributable to</b>		
from continuing operations	(3,978.05)	406.19
from discontinued operations	-	104.60

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

	Year ended	
	31 March 2023	31 March 2022
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income:		
Exchange loss on long term loans transferred to OCI	(4.26)	(5.38)
Fair value remeasurement of hedging instruments entered into for cash flow hedges	3.38	16.21
Changes in fair values of equity instruments	(14.05)	(47.97)
Remeasurement of defined benefit obligation	0.67	0.26
<b>Total tax expense recognised</b>	<u>(14.26)</u>	<u>(36.88)</u>

c) Deferred tax balances

	As at	
	31 March 2023	31 March 2022
The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated Balance sheet		
Deferred tax assets (net)	1,847.18	1,367.92
Deferred tax liabilities (net)	-	(192.20)
	<u>1,847.18</u>	<u>1,175.73</u>

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Movement of deferred tax during the year ended 31 March 2023

Particulars	Opening balance	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Acquisitions/ (Divestments) *	Closing balance
<b>Deferred tax (liabilities) / assets in relation to:</b>						
Measurement of financial assets at amortised cost / fair value	158.39	(290.96)	-	36.31	0.07	(96.18)
Provision for expected credit loss on financial assets (including commitments)	867.35	196.78	-	1.37	(0.99)	1,064.51
Receivable on assigned loans	32.61	(108.73)	-	-	-	(76.12)
Amortisation of expenses which are allowed in current year	0.14	-	-	-	-	0.14
Disallowances for items allowed on payment basis	112.98	10.68	-	(0.33)	(75.39)	47.94
Recognition of lease rent expense	2.27	(0.29)	-	-	(0.22)	1.76
Unrealised profit margin on inventory	24.37	-	-	-	(24.37)	-
Property, Plant and Equipment and Intangible assets	(350.22)	79.00	-	-	290.78	19.56
Fair value measurement of derivative contracts	(1.76)	-	-	-	1.76	-
Brought forward losses	319.56	867.31	-	-	(319.56)	867.31
Other temporary differences	10.02	(10.26)	-	(23.10)	41.60	18.26
<b>Total</b>	<b>1,175.72</b>	<b>743.53</b>	<b>-</b>	<b>14.26</b>	<b>(86.32)</b>	<b>1,847.18</b>

\* Refers to Acquisition through Business combination (refer note 66) and divestments as per composite scheme of arrangement (refer note 71)





58 Income taxes relating to operations  
Movement of deferred tax during the year ended 31 March 2022

Particulars	Opening balance	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Acquisition through Business combination (Refer note 66)	Closing balance
<b>Deferred tax (liabilities) / assets in relation to:</b>						
Measurement of financial assets at amortised cost / fair value	(56.45)	166.87	-	47.97	-	158.39
Provision for expected credit loss on financial assets (including commitments)	716.45	150.90	-	-	-	867.35
Receivable on assigned loans	-	32.61	-	-	-	32.61
Amortisation of expenses which are allowed in current year	0.19	(0.05)	-	-	-	0.14
Disallowances for items allowed on payment basis	42.36	69.49	1.39	(0.26)	-	112.98
Recognition of lease rent expense	1.35	0.92	-	-	-	2.27
Unrealised profit margin on inventory	29.41	(5.04)	-	-	-	24.37
Goodwill on merger of wholly owned subsidiaries	-	8.85	-	-	(8.85)	-
Property, Plant and Equipment and Intangible assets	(265.28)	(81.35)	(3.59)	-	-	(350.22)
Fair value measurement of derivative contracts	(4.46)	18.91	-	(16.21)	-	(1.76)
Exchange differences on long term loans designated as net investments transferred to OCI	-	(5.38)	-	5.38	-	-
Brought forward losses	239.88	69.29	10.39	-	-	319.56
Other temporary differences	11.11	(2.04)	0.95	-	-	10.02
<b>Total</b>	<b>714.56</b>	<b>423.98</b>	<b>9.14</b>	<b>36.88</b>	<b>(8.85)</b>	<b>1,175.72</b>

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

Particulars	Year ended		Effective tax rate reconciliation	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Consolidated Profit before tax *</b>	<b>(2,862.03)</b>	<b>1,856.68</b>		
<b>Income tax expense / (credit) calculated at 25.17%</b>	<b>(720.37)</b>	<b>467.33</b>	25.17%	25.17%
Effect of expenses that are not deductible in determining taxable profit	27.01	14.32	-0.94%	0.77%
Utilisation of previously unrecognised tax losses	-	(21.97)	0.00%	-1.18%
Effect of incomes which are taxed at different rates	-	(9.28)	0.00%	-0.50%
Effect of incomes which are exempt from tax	-	(1.37)	0.00%	-0.07%
Deferred tax asset created on unrecognised tax losses of previous years	-	(47.94)	0.00%	-2.58%
Temporary differences for which no deferred income tax was recognised	11.50	68.16	-0.40%	3.67%
Effect of capital gains on sale of investments in shares of subsidiaries	(73.31)	-	2.56%	0.00%
Unrealised profit margin on inventory on which deferred tax asset is not created	-	(0.82)	0.00%	-0.04%
Effect of EIR and unamortised expenses	23.68	-	-0.83%	0.00%
Effect of deduction in tax for interest on Compulsory Convertible Debentures	-	(8.05)	0.00%	-0.43%
Tax on exceptional items	90.37	-	-3.16%	0.00%
Effect of deduction from dividend income	-	(10.18)	0.00%	-0.55%
Others	(9.72)	60.59	0.34%	3.26%
<b>Income tax expense / (credit) recognised in statement of profit and loss</b>	<b>(650.84)</b>	<b>510.79</b>	<b>22.74%</b>	<b>27.51%</b>
Tax adjustment for earlier years	(3,327.21)	-		
<b>Total Income tax expense / (credit) recognised in statement of profit and loss</b>	<b>(3,978.05)</b>	<b>510.79</b>		
<b>Effective tax rate</b>	<b>22.74%</b>	<b>27.51%</b>		

\*Including exceptional item of Rs. 397.83 Crores in FY 22-23 and Including Discounting operations in FY 21-22

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

In assessing the realizability of deferred tax assets, the Group considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Group believes that it is probable that the Group will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

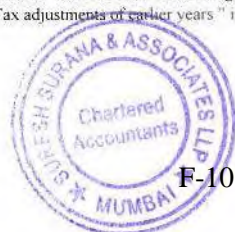
Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income taxes are deductible, the Group believes that it is probable that the Group will realize the benefits of this deferred tax asset. The amount of deferred tax asset considered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

In addition to this, during the current year ended 31 March 2023, the Group has recognized Deferred Tax Asset of Rs. NIL (Previous Year Rs. 47.94 Crores) on unused tax losses, considering profits in the past 2 years and reasonable certainty of realisation of such deferred tax asset in the future years.

Deferred income taxes are not recognised on the undistributed earnings of subsidiaries, associates or joint ventures, where it is expected that the earnings will not be distributed in the foreseeable future or where the tax credit can be availed by the holding company.

As given in note 66(ii), contingent tax liabilities of Rs. 3,437 crores pertaining to financial years ended 31 March 2020 and 31 March 2021, were recognized pursuant to uncertain tax positions as on the acquisition of DHFL.

During the year, Piramal Capital Housing & Finance Limited ("PCHFL"), wholly owned subsidiary, had received an Assessment Order under section 143(3) of the Income Tax Act, 1961 from Income Tax Department for the financial year ended 31 March 2021 wherein PCHFL's submissions relating to the above said matters were accepted by the Assessing Officer. Further, for financial year ended 31 March 2020, the assessment is time barred as per Section 153 of the Income Tax Act 1961. Accordingly, PCHFL has reversed the provision of Rs. 3,327.54 crores (Out of the total contingent tax liabilities provided earlier of Rs. 3,437 crores) and disclosed the same as "Tax adjustments of earlier years" in these financial statements.





59 Fair Value Measurement

a) Financial Instruments by category :

Particulars	31 March 2023			31 March 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investments	14,427.76	1,596.27	5,134.31	9,857.20	1,468.82	9,090.68
Loans	1,446.22	-	52,649.73	3,057.26	-	48,578.94
Cash & Bank Balances	-	-	4,649.08	-	-	7,187.18
Trade Receivables	-	-	22.86	-	-	1,687.38
Other Financial Assets	98.11	-	943.51	27.49	-	1,289.90
	<b>15,972.09</b>	<b>1,596.27</b>	<b>63,399.50</b>	<b>12,941.95</b>	<b>1,468.82</b>	<b>67,834.08</b>
<b>Financial liabilities</b>						
Borrowings	-	-	49,582.81	-	-	55,450.99
Trade Payables	-	-	399.27	-	-	1,696.93
Other Financial Liabilities	-	-	1,684.78	-	-	1,421.43
	-	-	<b>51,666.86</b>	-	-	<b>58,569.35</b>

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.

Particulars	March 31, 2022					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>						
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
<b>Investments</b>						
Investments in Shares	ii & iv	58.99	6.81	-	52.18	58.99
Investment in Debentures	i	1,149.83	-	-	1,149.83	1,149.83
Investments in Mutual Funds	ii	1,972.05	1,972.05	-	-	1,972.05
Investment in Alternative Investment Fund	vi	4,164.86	-	-	4,164.86	4,164.86
Investments - Others	i & iv	2,511.47	-	-	2,511.47	2,511.47
<b>Loans</b>						
Term Loans	i	3,057.26	-	-	3,057.26	3,057.26
<b>Other Financial Assets</b>						
Derivative Financial Assets	iii	27.49	-	-	27.49	27.49
<b>Measured at FVTOCI</b>						
Investments	ii	1,468.82	1,436.50	-	32.32	1,468.82
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
Investments (Gross of Expected Credit Loss)	iv	9,090.68	373.17	280.89	8,574.65	9,228.71
<b>Loans</b>						
Term Loans (Gross of Expected Credit Loss)	iv	51,353.29	-	-	59,668.08	59,668.08
Intercompany Deposits (Gross of Expected Credit Loss)	iv	282.91	-	-	282.91	282.91
<b>Financial Liabilities</b>						
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
Derivative Financial Liabilities	iii	-	-	-	-	-
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
Borrowings (Gross)	v	55,450.99	-	-	55,191.31	55,191.31

Particulars	March 31, 2023					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>						
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
<b>Investments</b>						
Investments in Shares	ii & iv	3,952.70	3,933.73	-	18.97	3,952.70
Investments in Debentures	i	571.62	-	-	571.62	571.62
Investments in Mutual Funds	ii	178.82	178.82	-	-	178.82
Investment in Alternative Investment Fund	vi	4,538.10	-	-	4,538.10	4,538.10
Investments - Others	i & iv	5,186.52	-	-	5,186.52	5,186.52
<b>Loans</b>						
Term Loans	i	1,446.22	-	-	1,446.22	1,446.22
<b>Other Financial Assets</b>						
Derivative Financial Assets	iii	98.11	-	-	98.11	98.11
<b>Measured at FVTOCI</b>						
Investments	ii	1,596.27	911.49	-	684.78	1,596.27
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
Investments (Gross of Expected Credit Loss)	iv	5,134.31	1,043.81	-	4,090.51	5,134.31
<b>Loans</b>						
Term Loans (Gross of Expected Credit Loss)	iv	53,506.11	-	-	56,278.56	56,278.56
Intercompany Deposits (Gross of Expected Credit Loss)	iv	589.84	-	-	589.84	589.84
<b>Financial Liabilities</b>						
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
Derivative Financial Liabilities	iii	-	-	-	-	-
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
Borrowings (Gross)	v	49,582.81	-	-	49,582.81	49,582.81



Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values

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

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

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

**Valuation techniques used to determine the fair values:**

- i) Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data.
- ii) This includes listed equity instruments, non convertible debentures and mutual funds which are fair valued using quoted prices and closing NAV in the market.
- iii) This includes forward exchange contracts and cross currency interest rate swap. The fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date. The fair value of cross currency interest rate swap is calculated as the present value of future cash flow based on observable yield curves and forward exchange rates.
- iv) Discounted cash flow method basis contractual cash flow has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates. Credit risk adjustment has not been considered while arriving at the values.
- v) Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.
- vi) Investments in Alternative Investment Funds and other funds are valued basis the net asset value received from the fund house.
- vii) Discounted cash flow method has been used to determine the fair value of contingent consideration.

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

The following table presents the changes in level 3 items for the period ended 31 March 2023 and 31 March 2022

Particulars	Term loans	Debentures	Other Investments	Total
<b>As at 1 April 2021</b>	<b>1,551.39</b>	<b>2,612.29</b>	<b>3,134.35</b>	<b>7,298.04</b>
Transfer in/ (Out)	-	217.95	244.66	462.61
Transfer on account of reverse merger	1,942.50	-	-	1,942.50
Gains / (Losses) recognised in profit or loss/ Other comprehensive income	70.80	(702.32)	464.87	(166.65)
Exchange Fluctuations	-	-	0.74	0.74
Acquisitions/Disposal during the year (Net)	(507.43)	832.51	1,112.23	1,437.31
<b>As at 31 March 2022</b>	<b>3,057.26</b>	<b>2,960.43</b>	<b>4,956.85</b>	<b>10,974.54</b>
Transfer in/ (Out)	(116.46)	-	1,192.13	1,075.67
Gains / (Losses) recognised in profit or loss/ Other comprehensive income	250.15	(63.52)	(397.33)	(210.70)
Acquisitions/Disposals / reclassifications during the year (net)	(1,744.73)	(2,325.29)	4,676.72	606.70
<b>As at 31 March 2023</b>	<b>1,446.22</b>	<b>571.62</b>	<b>10,428.37</b>	<b>12,446.21</b>

**d) Valuation Process**

The Company engages external valuation consultants to fair value below mentioned financial instruments measured at FVTPL. The main level 3 inputs used for investment in AIF / Venture capital fund, contingent consideration, term loans and debentures are as follows:

- 1) For Non Convertible Debentures and Term Loans, Waterfall approach has been used to arrive at the yields for securities held by the Company. For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted third party vendor for these data have been used.
- 2) For Alternative Investment Fund/Venture Capital Fund, Discounted cash flow method has been used to determine the fair value. The discounting factor has been computed using a mix of past trends as well as likely rate of return of the underlying projects.
- 3) For Contingent consideration, fair value has been estimated by allocating probability to achievement of financial milestones. Discount rate is determined using Capital Asset Pricing Model.

**e) Sensitivity for instruments:**

Nature of the instrument	Significant unobservable inputs*	Increase / Decrease in the unobservable inputs	Sensitivity Impact for the year ended 31 March 2023		Sensitivity Impact for the year ended 31 March 2022	
			FV Increase	FV Decrease	FV Increase	FV Decrease
Non Convertible Debentures	Discount rate	0.7%	-	-	(3.51)	3.54
Term Loans	Discount rate	0.7%	0.76	(0.75)	(1.90)	2.22
	Sale Price	5%	10.96	(8.97)	31.70	(31.70)
Investments	Sale Price	5%	16.66	(15.08)	71.20	71.30

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values

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





**60 Disaggregate revenue information**

Type of services	For the year ended	
	31 March 2023	31 March 2022
- processing / arranger fees	180.27	45.61
- other operating income	107.16	61.77
- Guarantee commission	4.21	28.05
	<b>291.64</b>	<b>135.43</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	287.43	125.08
Services transferred over time	4.21	28.05
	<b>291.64</b>	<b>153.13</b>

**61 Disclosure for Insurance commission as required under Insurance regulatory and development Authority (IRDA)**

Particulars	For the year ended	
	31 March 2023	31 March 2022
Cholamandalam MS General Insurance Company Limited	1.43	-
Pramerica Life Insurance Limited	9.46	0.88
	<b>10.89</b>	<b>0.88</b>

**62** Prior to the Composite scheme of arrangement, mentioned under note 71, the Group conducted research and development to find new sustainable chemical routes for pharmaceutical & herbal products. The Group had undertaken development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients. The Group's research and development centers were in Mumbai, Ennore and Ahmedabad.

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

Description	For the year ended	
	31 March 2023	31 March 2022
Revenue Expenditure*	-	138.26
<b>TOTAL</b>	<b>-</b>	<b>138.26</b>
<b>Capital Expenditure, Net</b>		
Additions to Property Plant & Equipments	-	7.00
Additions to Intangibles under Development	-	8.74
<b>Total</b>	<b>-</b>	<b>15.74</b>

\* The R & D Expenses (Net) included in discontinued operations does not include expenditure relating to Ahmedabad location of Rs. 86.82 Crores.

**63 Events after reporting date**

There have been no events after the reporting date that require adjustments / disclosures in the consolidated financial statements.



64 (a) (i) On 19 December 2019, 115,894 Compulsorily Convertible Debentures ("CCD") having face value of Rs. 151,000 per CCD were allotted to Caisse de dépôt et placement du Québec for an aggregate amount of Rs. 1,749.99 crores. Each CCD is convertible into 100 equity shares having face value of Rs. 2 each. During the year ended 31 March 2022, the Holding Company has allotted 1,15,89,400 equity shares (face value of Rs. 2 each) pursuant to the compulsory conversion of these CCDs.

(b) (i) On 24 December 2019, the Holding Company offered 27,929,649 equity shares under Rights Issue at a price of Rs.1,300 per share (including premium of Rs.1,298 per share). Out of the aforesaid issue, 26,385,861 equity shares were allotted by the Holding Company on 29 January 2020 and 1,535,944 Rights Equity shares have been reserved for the CCD Holder (as per regulation 74(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018) and 7,844 Rights Equity Shares have been kept in abeyance.

Further, the Holding Company on 28 June 2021 had allotted 1,535,944 right shares to the CCD Holder out of the portion reserved under the Right Issue made by the Holding Company vide Letter of offer dated 24 December, 2019.

(ii) On 8 March 2018, the Holding Company had issued 8,310,275 equity shares under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share). Out of this rights issue, 11,298 and 7,485,574 equity shares were allotted by the Company during the year ended March 31, 2019 and year ended March 31, 2018, respectively.

During the three months ended 30 June 2019 and 30 September 2019, 213,392 and 66 equity shares, respectively, were allotted by the Holding Company under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share) to the CCD holders out of the Right Equity shares reserved for them (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and shares held in abeyance.

As on 31 March 2021, 24,573 Rights equity shares have been kept in abeyance. 575,372 Rights equity shares reserved for the CCD holders (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) have not been subscribed by them and these unsubscribed rights shall be dealt with by the Board of Directors of the Company, in accordance with the law and hence are considered to be dilutive in nature.

During the year ended 31 March 2022, the Board at its meeting held on February 10, 2022 had approved cancellation of the unsubscribed portion of the issued capital representing 575,372 equity shares of Rs.2 each aggregating to Rs. 1,150,744, which was reserved in favour of the Compulsorily Convertible Debentures holders under rights issue of the Company. Consequently, the issued share capital stands at Rs.477,376,546/- consisting of 238,688,273 equity shares of face value of Rs.2 each fully paid.

(c) Proceeds from the rights issue have been utilised upto 31 March 2022 in the following manner :

Particulars	Planned	Actual till 31 March 2022
a) Repayment or prepayment, in full or in part, of certain borrowings in Piramal Enterprises Ltd & Piramal Capital Housing Finance Ltd	2,900.00	2,900.00
b) General Corporate Purposes	718.31	718.31
Add: Issue related expenses	12.54	12.54
<b>Total</b>	<b>3,630.85</b>	<b>3,630.85</b>





65 (a) Disclosures mandated by Schedule III by way of additional information

Name of the entity	Net Assets (total assets minus total liabilities) as at 31 March, 2023		Share in Profit for the year ended 31 March, 2023		Share in Other Comprehensive Income for the year ended 31 March, 2023		Share in Total Comprehensive Income for the year ended 31 March, 2023	
	As a % of Consolidated net assets	Amount (Rs. in Crores)	As a % of Consolidated profit	Amount (Rs. in Crores)	As a % of Consolidated Other Comprehensive Income	Amount (Rs. in Crores)	As a % of Consolidated Total Comprehensive Income	Amount (Rs. in Crores)
<b>Holding Company</b>								
Piramal Enterprises Limited	77.38%	24,034.46	143.78%	14,333.30	110.94%	145.57	143.36%	14,478.87
<b>Subsidiaries - Indian</b>								
Piramal Fund Management Private Limited	0.03%	8.84	-0.13%	(13.20)	0.05%	0.06	-0.13%	(13.14)
Piramal Capital and Housing Finance Limited	47.20%	14,659.03	-74.48%	(7,424.83)	49.90%	65.47	-72.87%	(7,359.36)
PEL Finhold Private Limited	0.00%	1.47	0.00%	0.06	0.00%	-	0.00%	0.06
Piramal Investment Advisory Services Private Limited	0.06%	18.02	0.00%	0.18	0.00%	-	0.00%	0.18
Piramal Consumer Products Private Limited	0.08%	23.41	0.00%	0.32	0.00%	-	0.00%	0.32
Piramal Systems & Technologies Private Limited	0.00%	0.01	0.00%	(0.07)	0.00%	-	0.00%	(0.07)
Piramal Investment Opportunities Fund	0.02%	5.00	0.00%	0.18	0.00%	-	0.00%	0.18
Piramal Alternatives Private Limited	0.00%	(0.27)	-0.32%	(31.51)	-0.39%	(0.51)	-0.32%	(32.02)
Piramal Securities Limited	0.05%	15.54	-0.01%	(0.99)	0.00%	-	-0.01%	(0.99)
Piramal Finance Sales & Services Private Limited	0.01%	1.78	0.02%	1.53	-0.02%	(0.03)	0.01%	1.50
Viridis Power Investment Managers Private Limited	0.00%	(0.00)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Viridis Infrastructure Investment Managers Private Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Piramal Alternatives Trust	1.01%	313.29	-0.03%	(2.92)	0.00%	-	-0.03%	(2.92)
DHFL Investments Limited	2.92%	907.37	0.21%	20.88	0.00%	-	0.21%	20.88
DHFL Advisory & Investments Private Limited	0.00%	0.53	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
DHFL Holdings Limited	0.00%	(0.00)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Piramal Payment Services Limited	0.02%	5.36	0.00%	(0.14)	0.00%	-	0.00%	(0.14)
PRL Agastya Private Limited	-0.42%	(131.03)	-0.07%	(6.52)	0.14%	0.19	-0.06%	(6.34)
<b>Subsidiaries - Foreign</b>								
Piramal International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Technologies SA	0.00%	0.31	-0.01%	(0.70)	0.00%	-	-0.01%	(0.70)
INDIAREIT Investment Management Co.	0.30%	93.60	0.07%	7.34	-5.22%	(6.84)	0.00%	0.50
Piramal Asset Management Private Limited, Singapore	0.00%	(0.00)	0.01%	1.31	0.46%	0.60	0.02%	1.91
Piramal Dutch IM Holdco B.V.	0.00%	(0.00)	0.43%	43.25	0.00%	-	0.43%	43.25
Piramal Holdings (Suisse) SA	0.00%	-	-0.03%	(2.99)	0.00%	-	-0.03%	(2.99)
<b>Non Controlling Interests in all subsidiaries</b>	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Joint Venture (Investment as per the equity method)</b>								
<b>Indian</b>								
Shrilekha Business Consultancy Private Limited	0.00%	-	2.61%	259.73	0.00%	-	2.57%	259.73
India Resurgence ARC Private Limited	0.27%	84.48	-0.02%	(1.52)	0.00%	-	-0.02%	(1.52)
India Resurgence Asset Management Business Private Limited	0.00%	0.92	-0.05%	(4.72)	0.00%	-	-0.05%	(4.72)
Pramerica Life Insurance Limited	2.92%	907.22	0.21%	20.96	-54.03%	(70.89)	-0.49%	(49.93)
India Resurgence Fund Scheme II	1.17%	362.42	0.79%	78.59	0.00%	-	0.78%	78.59
Piramal Structured Credit Opportunities Fund	0.83%	258.48	0.34%	34.28	0.00%	-	0.34%	34.28
DHFL Venture Trustee Company Private Limited	0.00%	0.04	0.00%	-	0.00%	-	0.00%	-
<b>Foreign</b>								
Asset Resurgence Mauritius Manager	0.08%	23.96	0.01%	1.30	0.00%	-	0.01%	1.30
Consolidation Adjustments	-33.92%	(10,535.18)	26.64%	2,655.52	-1.83%	(2.40)	26.27%	2,653.12
<b>Total</b>	<b>100.00%</b>	<b>31,059.08</b>	<b>100.00%</b>	<b>9,968.58</b>	<b>100.00%</b>	<b>131.21</b>	<b>100.00%</b>	<b>10,099.79</b>



65 (b) Disclosures mandated by Schedule III by way of additional information

Name of the entity	Net Assets (total assets minus total liabilities) as at 31 March 2022		Share in Profit for the year ended 31 March 2022		Share in Other Comprehensive Income for the year ended 31 March 2022		Share in Total Comprehensive Income for the year ended 31 March 2022	
	As a % of Consolidated net assets	Amount (Rs. in Crores)	As a % of Consolidated profit	Amount (Rs. in Crores)	As a % of Consolidated Other Comprehensive Income	Amount (Rs. in Crores)	As a % of Consolidated Total Comprehensive Income	Amount (Rs. in Crores)
<b>Holding Company</b>								
Piramal Enterprises Limited	65.15%	23,122.15	28.64%	572.42	38.59%	28.14	28.99%	600.57
<b>Subsidiaries - Indian</b>								
Piramal Pharma Limited	14.28%	5,067.35	17.16%	343.04	9.28%	6.77	16.89%	349.81
Convergence Chemicals Private Limited (w.e.f. February 24, 2021)	0.41%	146.07	0.73%	14.49	-0.17%	(0.13)	0.69%	14.36
Hemmo Pharmaceuticals Private Limited (w.e.f. June 22, 2021)	0.38%	134.49	1.32%	26.47	-0.13%	(0.09)	1.27%	26.38
PHL Fininvest Private Limited	15.87%	5,631.12	21.28%	425.28	0.30%	0.22	20.54%	425.50
Piramal Fund Management Private Limited	-0.01%	(3.98)	0.35%	7.01	1.11%	0.81	0.38%	7.82
Piramal Capital and Housing Finance Limited	62.52%	22,188.31	27.04%	540.50	-92.13%	(67.20)	22.85%	473.30
PEL Finhold Private Limited	0.00%	1.41	-0.10%	(1.97)	0.00%	-	-0.10%	(1.97)
Piramal Investment Advisory Services Private Limited	0.05%	17.84	0.53%	10.62	0.00%	-	0.51%	10.62
Piramal Consumer Products Private Limited	0.07%	23.08	0.06%	1.21	0.00%	-	0.06%	1.21
Piramal Systems & Technologies Private Limited	0.00%	0.06	0.29%	5.88	0.00%	-	0.28%	5.88
Piramal Investment Opportunities Fund	0.01%	5.03	0.00%	0.00	0.00%	-	0.00%	0.00
Piramal Alternatives Private Limited	-0.05%	(16.25)	-0.52%	(10.36)	-1.05%	(0.77)	-0.54%	(11.13)
Piramal Securities Limited	0.05%	16.53	0.07%	1.46	0.00%	-	0.07%	1.46
Piramal Finance Sales & Services Private Limited	0.00%	1.21	0.03%	0.58	0.00%	-	0.03%	0.58
Viridis Power Investment Managers Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Viridis Infrastructure Investment Managers Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Subsidiaries - Foreign</b>								
Piramal International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Holdings (Suisse) SA	0.09%	31.26	0.51%	10.26	1.74%	1.27	0.56%	11.53
Piramal Technologies SA	-0.07%	(24.74)	0.55%	10.99	-2.17%	(1.58)	0.45%	9.41
INDIAREIT Investment Management Co	0.22%	79.42	0.53%	10.59	4.52%	3.29	0.67%	13.88
Piramal Asset Management Private Limited, Singapore	0.02%	7.49	0.09%	1.77	0.32%	0.23	0.10%	2.00
Piramal Dutch Holdings N.V	5.11%	1,812.15	-3.03%	(60.63)	-37.37%	(27.26)	-4.24%	(87.89)
Piramal Healthcare Inc	4.12%	1,462.87	11.22%	224.26	56.59%	41.28	12.82%	265.54
Piramal Critical Care, Inc	2.44%	865.75	5.97%	119.28	42.47%	30.97	7.25%	150.25
Piramal Pharma Inc.	0.04%	13.77	0.00%	(0.09)	0.67%	0.49	0.02%	0.40
PEL Pharma Inc	-0.16%	(56.74)	-1.15%	(23.01)	-28.41%	(20.72)	-2.11%	(43.73)
Ash Stevens LLC	1.73%	612.56	1.82%	36.45	28.79%	21.00	2.77%	57.45
Piramal Pharma Solutions Inc.	-1.41%	(501.27)	-4.03%	(80.52)	-21.63%	(15.78)	-4.65%	(96.30)
Piramal Critical Care Italia, S.P.A	0.05%	18.45	-0.14%	(2.81)	-0.41%	(0.30)	-0.15%	(3.11)
Piramal Critical Care Deutschland GmbH	0.03%	9.22	-0.55%	(10.97)	-0.44%	(0.32)	-0.54%	(11.29)
Piramal Healthcare (UK) Limited	1.92%	681.25	0.72%	14.44	-11.78%	(8.59)	0.28%	5.85
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	0.19%	66.89	-4.65%	(93.00)	5.29%	3.86	-4.30%	(89.14)
Piramal Healthcare (Canada) Limited	1.98%	703.30	3.60%	71.89	37.31%	27.21	4.78%	99.10
Piramal Critical Care South Africa (Pty) Ltd	0.02%	7.54	0.10%	2.00	0.52%	0.38	0.12%	2.38
Piramal Critical Care B.V	-0.10%	(34.12)	-1.44%	(28.72)	1.24%	0.91	-1.34%	(27.81)
Piramal Critical Care Pty. Ltd.	0.01%	2.71	0.03%	0.52	0.09%	0.06	0.03%	0.58
Piramal Pharma Japan GK (w.e.f. November 05, 2021)	0.00%	0.50	-0.01%	(0.13)	-0.05%	(0.03)	-0.01%	(0.16)
PEL Healthcare LLC (w.e.f. June 26, 2020)	0.24%	85.27	-2.28%	(45.56)	5.31%	3.88	-2.01%	(41.68)
Piramal Dutch IM Holdco B.V	0.40%	142.71	0.41%	8.16	-1.50%	(1.09)	0.34%	7.07
<b>Non Controlling Interests in all subsidiaries</b>	3.80%	1,347.78	3.79%	75.66	27.24%	19.87	4.61%	95.53
<b>Associates (Investment as per the equity method)</b>								
<b>Indian</b>								
Allergan India Private Limited	0.22%	78.09	2.96%	59.07	0.00%	-	2.85%	59.07
Yapan Bio Private Limited (w.e.f. December 20, 2021)	0.29%	101.73	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
<b>Joint Venture (Investment as per the equity method)</b>								
<b>Indian</b>								
Shrilekha Business Consultancy Private Limited	11.34%	4,026.12	19.23%	384.43	0.00%	-	18.56%	384.43
India Resurgence ARC Private Limited	0.24%	83.54	1.58%	31.52	0.00%	-	1.52%	31.52
India Resurgence Asset Management Business Private Limited	0.02%	5.94	0.05%	0.94	0.00%	-	0.05%	0.94
Pramerica Life Insurance Limited	2.70%	957.37	0.72%	14.41	-105.94%	(77.27)	-3.03%	(62.86)
Piramal Ivanhoe Residential Equity Fund I	0.00%	-	1.55%	31.07	0.00%	-	1.50%	31.07
India Resurgence Fund Scheme II	0.81%	285.88	3.64%	72.66	0.00%	-	3.51%	72.66
India Resurgence ARC Trust I	0.00%	-	1.22%	24.47	0.00%	-	1.18%	24.47
Piramal Structured Credit Opportunities Fund	0.47%	166.12	0.47%	9.44	0.00%	-	0.46%	9.44
DHFL Venture Trustee Company Private Limited	0.00%	0.04	0.00%	-	0.00%	-	0.00%	-
<b>Foreign</b>								
Asset Resurgence Mauritius Manager	0.08%	27.89	1.25%	24.91	0.00%	-	1.20%	24.91
<b>Consolidation Adjustments</b>	-95.56%	(33,912.03)	-41.60%	(831.57)	141.81%	103.43	-35.15%	(728.14)
<b>Total</b>	<b>100.00%</b>	<b>35,489.13</b>	<b>100.00%</b>	<b>1,998.77</b>	<b>100.00%</b>	<b>72.94</b>	<b>100.00%</b>	<b>2,071.71</b>





**66 Business Combinations**

**Summary of acquisitions**

**(i) Acquisition of Hemmo Pharmaceuticals Private Limited (Hemmo)**

On 22 June 2021, the Group completed the acquisition of 100% stake in Hemmo Pharmaceuticals Private Limited ('Hemmo') pursuant to an agreement entered on 31 March 2021 for an upfront cash consideration of Rs. 775 crores and earn-outs linked to achievement of milestones. The Group has completed the purchase price allocation of the assets/liabilities acquired and consequently, measurement period changes have been adjusted to the goodwill. Balance consideration payable is Rs 89.91 crores. The acquisition will add peptide API development and manufacturing capabilities.

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

Particulars	Amount
<b>Assets</b>	
Property, Plant and Equipment	36.13
Capital work in progress	0.11
Intangible assets	405.62
Intangible asset under development	197.87
Right of use assets	54.59
Investments	0.11
Other Non-current Assets	0.38
Inventory	26.34
Trade Receivables	20.44
Cash and cash equivalents & bank balances	77.02
Loans	0.40
Other Non-Current Financial Assets	0.44
Other current Assets	20.68
Deferred Tax Assets	0.95
<b>Total Assets</b>	<b>841.08</b>
<b>Liabilities</b>	
Trade payable	63.94
Other Current Liabilities	17.30
Lease Liability	0.06
Other Liabilities	0.03
Non-current Provisions	1.34
Current tax liabilities	1.57
Current Provisions	0.43
<b>Total Liabilities</b>	<b>84.67</b>
<b>Net identifiable assets acquired</b>	<b>756.41</b>

**(b) Calculation of goodwill**

Particulars	Amount
Purchase consideration	901.47
Less: Net identifiable assets acquired	756.41
<b>Goodwill</b>	<b>145.06</b>

Goodwill is attributable to the synergies expected to arise from the combination of the acquired technical knowhow and the Piramal Group's global sales and marketing network which will augment the CDMO offering and allow PPL to provide integrated offerings across the pharmaceutical development cycle. Goodwill is not deductible for tax purpose.

**(c) Revenue and profit contribution**

The revenues and profits contributed to the group for the year ended 31 March 2022 are as follows:

Particulars	Amount
Revenue	121.62
Profit before tax	35.55

**(d) Credit/Charge to P&L**

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

**(e) Acquired Receivables**

Particulars	Amount
Fair value of acquired trade receivables	20.44
Gross contractual amount for trade receivables	20.44
Contractual cash flows not expected to be collected	-

**(f) Purchase consideration - cash outflow**

Particulars	Amount
Net outflow of cash - investing activities	790.74





**(ii) Amalgamation of Dewan Housing Finance Corporation Limited with Piramal Capital & Housing Finance Limited**

Vide Order dated 7 June 2021, the Mumbai bench of the Hon'ble National Company Law Tribunal ("NCLT") approved the Resolution Plan submitted by Piramal Capital & Housing Finance Limited ("PCHFL"), wholly-owned subsidiary of Piramal Enterprises Limited, for the Corporate Insolvency resolution process of Dewan Housing Finance Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016. After receiving necessary approvals, PCHFL has discharged its obligation under the resolution plan by paying Rs. 34,250 crores on September 28, 2021 through cash consideration of Rs. 14,717.47 crores (of which Rs. 12,800 crores paid out of acquired cash) and issue of Debentures of Rs. 19,532.53 crores and further, pursuant to the Resolution plan, PCHFL merged into DHFL to conclude acquisition on September 30, 2021 (Implementation Date).

The acquisition of DHFL fits well into the Group's strategy to diversify the loan book and helps achieve scale its retail lending business.

The business combination has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with PCFHL as the accounting acquirer and DHFL as the accounting acquiree/legal acquirer.

Accordingly, these consolidated reporting package issued represent the continuation of the financials of PCHFL (accounting acquirer) and reflects the assets and liabilities of PCHFL measured at their pre-acquisition carrying value and acquisition date fair value of the identified assets acquired and liabilities taken over with respect to DHFL. Merged financial statements are issued in the name of Piramal Capital and Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited).

The balances in reserves and surplus of DHFL as of the Appointed Date and the statutory reserve and hedging reserve of PCHFL shall be recognised separately. Any resultant difference arising from such recognition of reserves shall be in the first instance recognised as Amalgamation Adjustment Reserve and debit balance, if any, arising in the Amalgamation Adjustment Reserve may be offset with credit balance in reserves and surplus of the merged entity (first to be adjusted with surplus balance in profit and loss account and then with general reserve, if any).

The Group has also incurred a transaction cost of Rs. 142.72 crores and reported this as an acquisition related cost included in Exceptional item in FY 21-22.

Details in respect of business combination is provided below:

Particulars	Amount
Consideration transferred	
Fair value of shares deemed to be issued on reverse acquisition	
Cash (including acquired cash of Rs. 12,800 crores)	14,717.47
Fair value of Debentures	19,123.69
<b>Total consideration (A)</b>	<b>33,841.16</b>
<b>Fair value of assets identifiable assets and liabilities recognised as a result of the Reverse Acquisition</b>	
<b>Assets</b>	
Loan Book	22,614.50
Investments	3,074.91
Cash & Cash Equivalents	14,625.91
Property, Plant & Equipment	452.87
Other assets	1,084.54
<b>Total assets acquired (a)</b>	<b>41,852.72</b>
<b>Liabilities</b>	
CDO Liability	(3,226.49)
Other Financial Liabilities	(720.60)
Trade Payables	(317.92)
Provisions	(55.89)
Other Non-Financial Liabilities	(81.03)
Tax liabilities	(3,437.00)
<b>Total liabilities acquired (b)</b>	<b>(7,838.93)</b>
<b>Net assets recognised pursuant to the Scheme (B)=(a-b)</b>	<b>34,013.79</b>
<b>Capital Reserve (A-B)</b>	<b>(172.63)</b>

Capital reserve represents the gain on bargain purchase which is directly recognized in other equity as capital reserve.

The acquisition date fair value of accounting acquiree's identifiable assets and liabilities under the reverse acquisition are based on independent valuations obtained by the Group.

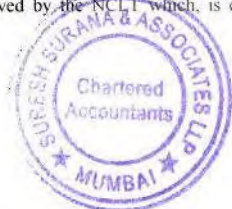
Based on opinions obtained from legal and tax experts, the above-mentioned fair value of net assets includes contingent tax liabilities of Rs. 3,437 crores pertaining to income tax obligation of DHFL for the financial years ended 31 March, 2020 and 2021, recognized pursuant to uncertain tax positions relating to DHFL as on the implementation date. Further, based on the expert opinions, net deferred tax assets potentially amounting to Rs. 6,209 crores relating to the fair value adjustments considered above have presently not been recognized due to uncertainty associated with allowability of such adjustments. The Fair value of assets also includes Investment in a Jointly controlled entity which was being litigated and where the Group expected a favourable outcome of the proceedings as on date of signing of financial statement for financial year ended 31 March 2022.

Further, during year ended 31 March 2023, PCHFL had received an Assessment Order under section 143(3) of the Income Tax Act, 1961 from Income Tax Department for the financial year ended 31 March 2021 wherein PCHFL's submissions relating to the above said matters were accepted by the Assessing Officer. Further, for financial year ended 31 March 2020, the assessment is time barred as per Section 153 of the Income Tax Act 1961. Accordingly, PCHFL has reversed the provision of Rs. 3,327.54 crores (Out of the total contingent tax liabilities provided earlier of Rs. 3,437 crores) and disclosed the same as "Tax adjustments of earlier years" in these financial results.

Following the successful implementation of the resolution plan pertaining to the insolvency resolution process of DHFL, the Group has replaced the nominee directors appointed by the erstwhile management under the Administrator with new directors.

Pursuant to the merger becoming effective from 30 September 2021, DHFL has allotted 2,13,646.92 lakhs shares of face value of INR 10 each on November 11, 2021, to the existing shareholders who were holding shares of PCHFL. These shares are issued against the total net worth of PCHFL on the Appointed Date, adjusted for statutory reserves and hedging reserves. Further the existing share capital held by shareholders of DHFL were cancelled/written back upon implementation of the Scheme.

Accounting for conversion of PCHFL reserves aggregating to Rs 2,080.96 crores into Share Capital and continuation of balance of reserves aggregating to Rs. 485.54 crores and recognition of reserves of DHFL on the implementation date aggregating to Rs 4,047.84 crores, in the merged financial statements has been done in accordance with the accounting treatment prescribed in the Resolution plan approved by the NCLT which, is different from the accounting treatment prescribed by Ind AS 103 for reverse acquisition business combinations.





The Group holds 100% of equity share capital of DHFL Investments Limited (DIL). DIL had issued Compulsory Convertible Debentures (CCDs) to Wadhawan Global Capital Private Limited ("WGC"). Tri-partite agreement dated 31 March 2017 was entered between DIL, DHFL and Wadhawan Global Capital Private Limited (WGC). This agreement assigned controlling rights in favor of WGC and accordingly DIL was not considered as a subsidiary. The approved Resolution Plan contained prayers inter alia seeking nullification of the Compulsory Convertible Debentures (CCDs) and extinguishment of rights pursuant to these CCDs. WGC and a limited liability partnership by the name of TDH Realty LLP have pursued the litigation against the Resolution Plan purportedly as the ultimate beneficiary of the CCDs. The matter is still under consideration of Hon'ble NCLT. Based on the approval of the Resolution Plan by Hon'ble NCLT and merits of these litigations, the Group has considered DIL as a subsidiary based on its ability to exercise control over DIL with effect from the implementation date.

DIL holds 50% of equity share capital of DHFL Pramerica Life Insurance Limited (DPLI). Based on the evaluation of rights available under the shareholders agreement, DPLI has been considered as a joint venture and has been accounted based on equity method of accounting in the consolidated financial statements. Accordingly, the consolidated statement of profit and loss includes the DIL share of profit / (loss) of DPLI with effect from the implementation date.

In view of the foregoing, the financial statements of the accounting acquiree have been included from the implementation date i.e. 30 September 2021. The consolidated financial statements presented above are not comparable with the previous year's consolidated financial statements for the year ended 31 March 2022 which comprise of the result of 6 months operation of DHFL and twelve months of PCHFL.

Further, following subsidiaries, associate and joint venture have been consolidated from 30 September 2021.

- a. Subsidiary Company
  - i. DHFL Investments Limited
  - ii. DHFL Holdings Limited
  - iii. DHFL Advisory & Investments Private Limited
- b. Associate
  - i. DHFL Venture Trustee Company Limited (through DHFL Investments Limited)
- c. Joint Venture
  - i. Pramerica Life Insurance Limited (through DHFL Investments Limited)

According to the Resolution Plan, the distribution of proceeds from recovery of fraudulent loans should go to Successful Resolution Applicant (SRA) only to the extent of Re. 1 as per the Fair Value assigned in the Resolution Plan and the balance should be distributed to the creditors. There is a litigation with respect to reconsideration of the value assigned for the fraudulent loan book by Committee of Creditors. According to Group, the DHFL acquisition remains unaffected by the above said order and the business integration continues as envisaged. Further there will be no adverse impact on the consolidated financial statements for the year ended March 31, 2022 and 2023 even in the eventuality of the matter being decided against Group.

#### Revenue and profit contribution

The acquired business contributed revenue from operation of Rs. 1,549.15 crores and profit of Rs. 750.58 crores to the Company for the period 31 March 2022.

#### (iii) Acquisition of PRL Agastya Private Limited by Piramal Capital & Housing Finance Limited

Piramal Capital & Housing Finance Limited ("PCHFL"), a wholly owned subsidiary, has acquired 100% stake in PRL Agastya Private Limited ("PRL Agastya") from PRL Developers Private Limited on 12 December 2022 for a cash consideration of Rs. 90 crores. Consequent to which, PRL Agastya is a wholly owned subsidiary of the Group. The consolidated financial statements presented are not comparable with the previous period consolidated financial statements for the year ended 31 March 2022 which comprise the consolidated financial statements of the Group without considering PRL Agastya Private Limited.

The details in respect of business combination is provided below:

Particulars	Amount
<b>Consideration transferred</b>	
Cash *	90.12
<b>Total consideration (A)</b>	<b>90.12</b>
<b>Fair value of assets identifiable assets and liabilities recognised as a result of the Acquisition</b>	
<b>Net assets</b>	
(a) Total assets acquired	1,012.48
(b) Total liabilities acquired	924.36
<b>Net assets recognised pursuant to the Scheme (B)- (a-b)</b>	<b>88.13</b>
<b>Goodwill/(Capital Reserve) (A-B)</b>	<b>2.00</b>

Goodwill represents the loss on bargain purchase which is directly recognized in the balance sheet.

\* includes stamp duty of Rs. 0.12 crores.





**67 Divestment of Piramal Holdings (Suisse) SA (subsidiary)**

On 9 December 2022, the Holding Company has signed documents to divest its entire stake in Piramal Holdings (Suisse) SA ('PHSA'), a non-operative, non-material wholly owned subsidiary of the Holding Company to Heather Investment in Commercial Enterprises & Management Co. LLC, UAE, for a consideration of Rs.1.65 crores (USD 200,436). Consequent to the divestment, PHSA ceases to be a wholly-owned subsidiary of the Holding Company. Further, the divestment is not a related party transaction and the Buyer does not belong to the promoter/ promoter group/ promoter group companies.

The Group has given effect to accounting as follows:

**(i) Consideration received**

Particulars	Amount
Consideration received in cash and cash equivalents	1.65
<b>Total consideration received</b>	<b>1.65</b>

**(ii) Statement of assets and liabilities over which control was lost as on date of sale:**

Particulars	Amount
<b>Assets:</b>	
Cash and cash equivalents	30.96
<b>Total Assets (I)</b>	<b>30.96</b>
<b>Liabilities</b>	
Trade payables	0.63
<b>Total liabilities (II)</b>	<b>0.63</b>
<b>Net assets disposed off (I-II)</b>	<b>30.33</b>

**(iii) Loss on disposal**

Particulars	Amount
Consideration received	1.65
Less: Net assets disposed off	30.33
<b>Loss on disposal</b>	<b>(28.68)</b>

**68 Composite Scheme of Arrangement and Amalgamation in Shriram group**

During the year, pursuant to Composite Scheme of Arrangement and Amalgamation in Shriram group, the Group received shares of Shriram Finance Limited (SFL), Shriram LI Holdings Private Limited (SLIH), Shriram GI Holdings Private Limited (SGIH) and Shriram Investment Holdings Limited (SIHL) against the shares of Shriram City Union Finance Limited(SCUF) and Shrelekh Business Consultancy Private Limited(Shrelekh). These shares have been initially recognised as per the requirement of Ind AS 109 as follows:

- (a) Shares received against investment in SCUF resulted in gain of Rs. 172.10 crores accounted in other comprehensive income.
- (b) Shares received against investment in Shrelekh resulted in gain of Rs. 717.44 crores accounted in profit and loss as other operating income.

**69 Assets held for sale**

During the year ended 31 March 2023, on conclusion of a strategic review of its investments, the Group initiated identification and evaluation of potential buyers for its associate investments, Shriram LI Holdings Private Limited, Shriram GI Holdings Private Limited and Shriram Investment Holdings Limited. The Group anticipates completion of the sale in foreseeable future and accordingly, investments amounting to Rs. 2,277.54 crores in respect of these associates have been reclassified under 'assets held for sale'.

On reclassification, these investments has been measured at the lower of carrying amount and fair value less cost to sell. No impairment provision was required to be recognised in the consolidated statement of profit and loss for the year ended 31 March 2023, on these investments.

70 Until the previous year, the Group used to prepare and present financial statements as per the format prescribed in Division II of Schedule III to Companies Act, 2013. On 26 July 2022, the Holding Company has received Certificate of Registration to carry on the business of Non-Banking Financial Institution. Hence, the Group is required to prepare and present financial statements as per the format prescribed in Division III of Schedule III to Companies Act, 2013. The figures of the consolidated financial statements of the previous year have been accordingly restated and reclassified to conform to the new format.





**71 Composite Scheme of Arrangement - Discontinuing operations**

The board of directors of the Holding Company, at their meeting held on 7 October 2021, had inter alia, approved the composite Scheme of Arrangement under applicable provisions of the Companies Act, 2013 between Holding Company(PEL), Piramal Pharma Limited ('PPL'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Fininvest Private Limited ('PFPL') and their respective shareholders and creditors ('Scheme'). The Scheme inter alia provides for the following:

- (i) the transfer by way of demerger of the Demerged Undertaking (as set out in the Scheme) from Holding Company to PPL, a subsidiary of PEL
  - (ii) the amalgamation of CCPL and HPPL (both being wholly owned subsidiaries of PPL) into PPL.
  - (iii) the amalgamation of PFPL (a wholly owned subsidiary of PEL) into Holding Company ('FS Amalgamation').
- The Scheme was approved by the Hon'ble National Company Law Tribunal on 12 August 2022. Accordingly, the Scheme became operative from Appointed date i.e. 1 April 2022.

In view of the above, the previously issued consolidated financial statements for the year ended 31 March 2022 have been restated to give impact of the Scheme.

The Holding Company has given effect to accounting as follows:

All assets and liabilities pertaining to demerged Pharma undertaking have been classified as non-cash assets held for transfer to Piramal Pharma Limited / shareholders as on 1 April 2022 being the appointed date. The difference between book values of the assets and liabilities transferred is recognised as gains in Profit and loss account amounting to Rs. 7,613.96 crores as per the requirements of Appendix A to Ind AS 10. At the date of approval of scheme, the liability was subsequently remeasured resulting in remeasurement gain of Rs. 759.76 crores. The corresponding aggregate charge was recognised in retained earnings (reserve) as per the requirements of the aforesaid Ind AS. The nature of the gain (including remeasurement gains) being non-recurring in nature was classified as an exceptional item by the Holding Company.

As per the requirements of Ind AS 105, the income and expense pertaining to pharma business in the previous comparable year were presented in a separate line item – discontinued operations.

Costs incidental / consequential to the arrangement aggregating to Rs 307.46 crores (net of tax) incurred by the Holding Company was considered as exceptional items being non-recurring in nature.

Particulars	As on 1 April 2022
<b>(i) Fair value of the of Pharma undertaking at date of derecognition - (A)</b>	<b>12,982.55</b>
<b>(ii) Analysis of asset and liabilities over which control was lost</b>	
<b>Assets</b>	
Financial assets	3,856.28
Non- financial assets	8,793.16
<b>Total Assets (A)</b>	<b>12,649.44</b>
<b>Liabilities</b>	
Financial liabilities	5,428.34
Non- Financial liabilities	504.73
<b>Total liabilities (B)</b>	<b>5,933.07</b>
<b>Non-Controlling Interest (C)</b>	<b>1,347.78</b>
<b>Net assets disposed off [ii= (A-B-C)]</b>	<b>5,368.59</b>
<b>Gains on transfer of the pharma undertaking at date of derecognition (D)=[i-ii]</b>	<b>7,613.96</b>
<b>Gains on subsequent remeasurement - (E)</b>	<b>759.76</b>
<b>Gain on transfer of the pharma undertaking [D+E]</b>	<b>8,373.72</b>
<b>Total amount distributed (A+E)</b>	<b>13,742.31</b>





**71 Composite Scheme of Arrangement - Discontinuing operations**

**Analysis of profit/(loss) from discontinued operations**

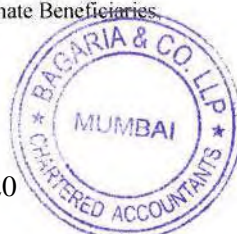
Particulars	For the year ended 31 March 2022
Revenue from operations	6,700.64
Other income	235.73
<b>Total Income (I)</b>	<b>6,936.37</b>
Cost of goods sold	2,530.99
Other expenses	4,008.21
<b>Total Expenses (II)</b>	<b>6,539.20</b>
<b>Profit before share of associates and joint ventures, exceptional items and tax ((I)-(II))</b>	<b>397.17</b>
Share of net profit of associates and joint ventures	59.04
<b>Profit after share of associates and joint ventures before exceptional items and tax</b>	<b>456.21</b>
Exceptional items	(15.08)
<b>Profit before tax</b>	<b>441.13</b>
Less: Tax expense	104.60
<b>Profit from discontinued operations after tax (A)</b>	<b>336.53</b>
Other Comprehensive Income and (Expense) (OCI) (net of tax)	98.74
<b>OCI (net of tax) (B)</b>	<b>98.74</b>
<b>Total Comprehensive Income, net of tax expense (A+B)</b>	<b>435.27</b>

**Cash flows from discontinued operations**

Particulars	For the year ended 31 March 2022
Net cash inflows from operating activities	766.42
Net cash outflows from investing activities	(1,812.10)
Net cash outflows from financing activities	794.19

**72 Other Statutory Information**

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.
- (ii) The Group does not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the current or previous financial year in the tax assessments under the income tax act, 1961 (such as search or survey or any
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period, except as disclosed below:
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.
- (v) The Group have not been declared as a wilful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guidance on wilful defaulters issued by Reserve Bank of India.
- (vi) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of Layers) Rules, 2017.
- (viii) The Group, has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ix) The Group, has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.





**72 Other Statutory Information (continued)**

(x) The Group has not done any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 except:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31 March 2023	Relationship with the Struck off company, if any, to be
GK Marketing Services Private Limited	Payable	-	Vendor

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

\*Amounts below rounding off norms

(ix) The Group has not granted loans or advance in nature of loans to Related parties which are repayable on demand or without specifying terms / period of repayment.

(x) The Group has utilised funds raised on short term basis for the purpose for which it was taken.

**73 Ageing schedule of trade payables**

As at 31 March 2023	Outstanding for following periods from the due date of payment				
	Particulars	Less than 1 year	1- 2 years	2- 3 years	More than 3 years
(i) MSME	3.94	0.08	0.01	(0.23)	3.81
(ii) Others	58.46	2.54	0.88	3.95	65.83
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>62.40</b>	<b>2.62</b>	<b>0.88</b>	<b>3.72</b>	<b>69.63</b>

As at 31 March 2022	Outstanding for following periods from the due date of payment				
	Particulars	Less than 1 year	1- 2 years	2- 3 years	More than 3 years
(i) MSME	52.68	0.25	0.00	0.36	53.29
(ii) Others	607.25	1.07	3.10	8.50	619.93
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>659.93</b>	<b>1.32</b>	<b>3.10</b>	<b>8.86</b>	<b>673.22</b>

Accrued expenses amount to Rs. 329.64 Crores as on 31 March 2023 (as on 31 March 2022 - Rs. 1,023.71 Crores)

**74 Ageing schedule of trade receivables**

As at 31 March 2023	Outstanding for following periods from the due date of payment					
	Particulars	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	12.46	2.44	0.60	1.46	3.20	20.16
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	0.07	0.72	1.91	-	2.70
<b>Total</b>	<b>12.46</b>	<b>2.50</b>	<b>1.32</b>	<b>3.37</b>	<b>3.20</b>	<b>22.86</b>

As at 31 March 2022	Outstanding for following periods from the due date of payment					
	Particulars	Less than 6 months	Upto 1 year	1- 2 years	2- 3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	1,566.91	41.43	5.28	13.96	-	1,627.58
(ii) Undisputed Trade Receivables – considered doubtful	0.05	1.34	10.50	6.96	40.64	59.49
(iii) Disputed Trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	0.07	0.24	-	-	-	0.31
<b>Total</b>	<b>1,567.03</b>	<b>42.77</b>	<b>16.02</b>	<b>20.92</b>	<b>40.64</b>	<b>1,687.38</b>



**75 Changes in liabilities arising from financing activities**

**(a) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash flows')**

The Group does not have any financing activities and investing activities which affect the capital and asset structure of the Group without the use of cash and cash equivalents.

**(b) Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')**

Particulars	As at 1 April 2022	Cash flows	Exchange Difference	Other *	As at 31 March 2023
Borrowings including debt securities and subordinated debt liabilities (net)	55,450.99	(2,536.94)	48.71	(3,379.96)	49,582.81

Particulars	As at 1 April 2021	Cash flows	Exchange Difference	Other *	As at 31 March 2022
Borrowings including debt securities and subordinated debt liabilities (net)	38,783.43	(6,095.93)	20.21	22,743.29	55,450.99

\* Includes acquisitions/ (divestments)

**76 Employee Stock Option Plan**

The Group had formulated Employees' Stock Ownership Plan - 2015 ("ESOP Scheme 2015"), under which, such eligible employees of the Holding Company and its subsidiaries can exercise Stock Options that were vested in them under such ESOP Scheme 2015

The ESOP Scheme 2015 were approved by the Nomination and Remuneration Committee and the effective date of the same is 31 March 2023.

Under the ESOP Scheme 2015, 7,70,022 stock options are granted during the year ended 31 March 2023.

Number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	Number of options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)
Outstanding as on 1 April 2022	-	-	-
Granted during the year*	7,70,022	2.00	5
Exercised during the year	-	-	-
Forfeited/lapsed during the year	-	-	-
Outstanding as on 31 March 2023*	7,70,022	2.00	5
Exercisable as on 31 March 2023	7,70,022		

\*Includes 12,256 options granted to Key managerial personnel of the Holding Company.

The Black Scholes valuation model has been used for computing the weighted average fair value of stock options granted during the year, considering the following inputs:

Grant Date	March 31, 2023
Vesting Date	3 Equal months on the expiry of at least 12 months, 16 months and 28 months or 3 Equal months on the expiry of at least 28 months, 40 months and 52 months 3 Equal months on the expiry of at least 13 months, 14 months, 26 months and 38 months
Risk free interest rate	6.91% - 6.92%
Expected life	3.0 to 3.7 years
Expected Volatility	55.62% - 58.71%
Expected dividend yield	55.62% - 58.71%
Exercise Price	Rs. 2
Stock Price	Rs. 678.35
Option fair Value	Rs. 631.84 - Rs. 639.48
Exercise Period	5 years from date of vesting

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**Method used to account for the Scheme (Intrinsic or fair value):**

The Group recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Group are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss over the vesting period of options which is the requisite service period, with corresponding increase in the equity.

During the year ended 31 March 2023, Rs. 0.06 crores has been charged to statement of profit & loss with a corresponding increase in Share based payment reserve of Rs. 0.06 crores. [Refer note 26 and 38]



**Piramal Enterprises Limited**  
**Notes to the consolidated financial statements (Continued)**  
*For the year ended 31 March, 2023*  
(Currency : Rs in crores)

77 The consolidated financial statements as at 31 March 2023, to the extent described in note 70 & 71 , are not comparable with the consolidated financial statements for the year ended 31 March 2022.

78 The consolidated financial statements have been approved for issue by Company's Board of Directors on 5 May 2023.

Signature to note 2 to 78 of the Consolidated financial statements

For and on behalf of the Board of Directors  
Piramal Enterprises Limited

  
Ajay G. Piramal  
Chairman



  
Upma Goel  
Chief Financial Officer

  
Bipin Singh  
Company Secretary

Place : Mumbai  
Date : 5 May 2023



**Suresh Surana & Associates LLP**  
Chartered Accountants  
308-309, A wing,  
Technopolis Knowledge Park,  
Mahakali Caves Road,  
Andheri (East), Mumbai- 400 093.  
Maharashtra, India.

**Bagaria & Co LLP**  
Chartered Accountants  
701 Stanford, S V Road,  
Andheri (West), Mumbai – 400 058.  
Maharashtra, India.

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## Independent Auditor's Report

To The Members of  
Piramal Enterprises Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Piramal Enterprises Limited ("the Company"), which comprises of Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 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 31st March 2023, its profit, total other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Sr. No.	Key Audit Matters	Auditors Response
1.	<p><b>Expected Credit Loss allowance on financial assets and net loss on derecognition of financial instruments under amortised cost category.</b></p> <p>Refer to accounting policies in Note 2 (iii) to the standalone financial statements; Impairment and net loss on derecognition of financial instruments under amortised cost category – Notes 18, 25, 26 and 40.3 to the standalone financial statements.</p>	
	<p>Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECL are:</p> <ul style="list-style-type: none"> <li>• The application of ECL model requires several data inputs to calculate Probability of Default ("PDs"), Loss Given Default ("LGD") and Exposure at Default (EAD). Inherently judgmental inputs / model used to estimate ECL which involves determination of PD, LGD and EAD.</li> <li>• The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered as a significant judgmental aspect of the Company's modelling approach.</li> <li>• Estimating Management overlay for economic uncertainty, forward-looking information, and macro-economic factors.</li> <li>• Completeness and accuracy of the data from internal and external sources used in the Models. Qualitative and quantitative factors used in staging the loan assets.</li> </ul> <p>Considering the significance of ECL to the overall standalone financial statements and the degree of Management's estimates and judgements involved in this matter that requires significant auditors'</p>	<p>Principal audit procedures followed:</p> <ul style="list-style-type: none"> <li>➤ Reviewed the Board approved loss allowance policy and verified the alignment of methodology adopted for computation of ECL that addresses the policies approved by the Board of Directors.</li> <li>➤ Tested the design and operating effectiveness of the key controls over the completeness and accuracy of data, inputs and assumptions into the ECL Model.</li> <li>➤ Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards, Reserve Bank of India's ('RBI') master directions relating to Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and confirmed that the calculations are performed in accordance with the approved methodology and ECL amounts has been approved by the management and the Audit committee.</li> <li>➤ Tested on sample basis key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts and model assumptions applied.</li> </ul>





	<p>attention. We have considered the expected credit loss allowance on financial assets to be a key audit matter.</p> <p>The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to ECL and net loss on derecognition of financial instruments under amortised category. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions will also be an area of focus, particularly as this will be the first year some of these disclosures will be presented and are related to an area of significant estimate.</p>	<ul style="list-style-type: none"> <li>➤ Tested the arithmetical accuracy of the computation of ECL provision performed by the Company in spreadsheets.</li> <li>➤ Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in standalone financial statements are appropriate and sufficient.</li> </ul>
<p>2.</p>	<p><b>Determination of fair value for the purpose of measurement of certain financial assets measured at fair value and for the purpose of impairment assessment of investments in subsidiary, joint venture or associate companies measured at cost and investment property:</b> Refer to Accounting policies in Notes 2 (iv), 2 (vii) and 2 (xi) to the standalone financial statements; Investment measured at fair value, net gain on fair value changes and other operating income – Notes 6, 21 (iv) and 21 (v) to the standalone financial statements; Investment in subsidiary, joint venture and associate companies and provision thereon – Notes 6,28 and 43 to the standalone financial statements; Investment property – Note 34 to the standalone financial statements; Fair value disclosures – Note 38 to the standalone financial statements.</p>	
	<p>The Company's investments in unquoted instruments (other than investment in subsidiaries, joint ventures and associates) are measured at fair value at each reporting date and these fair value measurements significantly impact the Company's financial performance. The Company's investments in subsidiaries, joint ventures and associates and investment property are measured at cost less provision for impairment, if any.</p> <p>The valuation for the purpose of measurement and impairment assessment requires significant judgement because of quoted prices being unavailable and limited liquidity.</p> <p>The disclosures regarding the Company's fair value estimation are key to explaining the key estimation and judgements including material inputs to the estimated valuation figures.</p>	<p>Principal audit procedures followed:</p> <ul style="list-style-type: none"> <li>➤ Understood the process, evaluating the design and testing the operating effectiveness of such controls in respect of valuation of investments by management.</li> <li>➤ Evaluated management's controls over collation of relevant information used for determining estimates for valuation and impairment testing of investments.</li> <li>➤ Tested appropriate implementation of policy of valuation and impairment testing by management.</li> <li>➤ Reconciled the financial information mentioned in fair valuation and impairment testing to underlying source details.</li> <li>➤ Obtained independent valuation reports of unquoted investments.</li> </ul>



		<ul style="list-style-type: none"> <li>➤ Tested the reasonableness of management's estimates considered in such assessment.</li> <li>➤ Assessed the competence, capabilities and objectivity of the experts used by management in the process of valuation models.</li> <li>➤ Assessed the factual accuracy conclusion reached by the management and appropriateness of the disclosures made in the standalone financial statements in respect of investments.</li> </ul>
3.	<p><b>Information Technology (IT) systems and controls impacting financial reporting.</b></p>	
	<p>The IT environment of the Company is complex and involves a number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company.</p> <p>Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.</p> <p>We have identified certain key IT systems ("in-scope" IT systems) which have an impact on the financial reporting process and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the Company for processing financial transactions, the complexity of the IT architecture and its impact.</p>	<p>Principal audit procedures followed:</p> <ul style="list-style-type: none"> <li>➤ In assessing the controls over the IT systems of the component, involved our technology specialists to obtain an understanding of IT environment, IT infrastructure and IT systems.</li> <li>➤ Evaluated and tested relevant IT general controls and IT application controls of the "in-scope" IT systems identified as relevant for our audit of the Company's standalone financial statements and financial reporting process of the Company.</li> <li>➤ On such "in-scope" IT systems, tested key IT general controls as follows: <ul style="list-style-type: none"> <li>• Program change management, which includes that program changes are moved to production environment as per defined procedures.</li> <li>• User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel.</li> </ul> </li> </ul>



		<ul style="list-style-type: none"> <li>• Program development, which comprises IT operations and system development life cycle for relevant in-scope applications, operating systems, and databases, which are relied upon for financial reporting.</li> <li>➤ Other areas that were assessed under the IT control environment included backup management, business continuity, disaster recovery, incident management, interface, batch processing and monitoring.</li> <li>➤ Evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports.</li> </ul>
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**Information Other than the Standalone 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 Report including annexures to the Board report but does not include the standalone financial statement 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.

**Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.





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 statements 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, the 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are



based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity 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 identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters:**

- (i) The standalone financial statements of the Company for the year ended March 31, 2022 included in these standalone financial statements, were audited by the predecessor auditor. The report of the predecessor auditor of this comparative information dated May 26, 2022 expressed an unmodified opinion on those statements.
- (ii) The comparative Standalone Financial Statements, as mentioned above in para (i) above, of the Company for year ended 31 March, 2022 have been restated pursuant to:
  - (a) the Company on receiving the Certificate of Registration from the Reserve Bank of India, to carry on the business of non-banking financial company. The Company has prepared and presented its standalone financial statements as per the format prescribed in Division III of Schedule III to Companies Act, 2013, (Refer note 1B to the standalone financial statements); and
  - (b) the National Company Law Tribunal approval of Composite Scheme of Arrangement for demerger of Pharma undertaking and merger of PHL Fininvest Private Limited, a wholly owned subsidiary, into the Company, effective from April 1, 2022 (Refer Note 42 to the standalone financial statements).

Our opinion is not modified in respect of these matters.





**Report on Other Legal and Regulatory Requirements**

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, , and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 & 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representation received from the directors as on March 31, 2023 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a Directors in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
  - (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 explanations given to us, the Company has complied with the provisions of Section 197 read with Schedule V 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. (Refer note 32 (a) to standalone financial statements)
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.



- iv. (a) The management has represented, that to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under Sub Clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement. [Refer note 45 (ix) and 45 (x) to the standalone financial statements.]
- v. The dividend declared or paid during the year by the Company is in compliance with the Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For Suresh Surana and Associates LLP**  
Chartered Accountants  
Firm's Registration. No.: 121750W / W-100010

  
**Santosh Maller**  
Partner

Membership No.: 143824  
UDIN: 23143824BGQQEK4004



Place: Mumbai  
Date: 5 May 2023

**For Bagaria & Co LLP**  
Chartered Accountants  
Firm's Registration. No.: 113447W / W-100019

  
**Rahul Bagaria**  
Partner

Membership No.: 145377  
UDIN: 23145377BGRAES8364



Place: Mumbai  
Date: 5 May 2023

**Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Piramal Enterprises Limited of even date:**

- i. a. In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets:
    - A. The Company has maintained proper records, showing full particulars, including quantitative details and situation of PPE, Investment property and relevant details of right-of-use assets.
    - B. The Company has maintained proper records showing full particulars of intangible assets.
  - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has program of physical verification of property, plant and equipment, investment property and right of use assets so as to cover all the items once every three years which, in our opinion, is reasonable having regard to size of the Company and the nature of its assets. Pursuant to the program, physical verification was carried out 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 sale deed/ transfer deed/ conveyance deed/ court orders approving scheme of arrangements/ amalgamation/ confirmation from custodians, provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in PPE are held in the name of the Company as at the balance sheet date. Further, based on examination of Letter of intent, independent architect certificate, the purchase agreements executed by the Company and deeds of transfer, we report that, the investment property in the nature of land development rights is held in name of the Company.
  - d. The Company has not revalued any of its PPE (including right- of-use assets) and intangible assets during the year and hence reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
  - e. According to the information and explanations given to us and on the basis of our examination of records, no proceedings have been initiated during the year or are pending as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and Rules made thereunder and hence reporting under Clause 3(i)(e) of the Order is not applicable to the Company.
- ii. (a) As at March 31, 2023, the Company does not hold any inventories and hence reporting under Clause 3(ii)(a) of the Order is not applicable to the Company. (Refer Note no. 8 to standalone financial statements)
  - (b) According to the information and explanations given to us and on the basis of our examination of records, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores on the basis of security of current assets by banks and financial institutions during the year and hence reporting under Clause 3(ii)(b) of the Order is not applicable to the Company.



- iii. As explained in note no. 1A to the financial statements, the Company has received Certificate of Registration to carry on business of Non-Banking Financial Company ('NBFC') from the Reserve Bank of India ('RBI') and as a part of its business activities is engaged in the business of lending across various types of loans.

During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee/security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. In respect of such Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:

- (a) Reporting under Clause 3(iii)(a) and 3(iii)(e) of the Order is not applicable to the Company as its principal business is to give loans.
- (b) In our opinion and according to information and explanations given to us and based on the audit procedures performed by us, having regard to the nature of the Company's business, the investments made, guarantees provided, security given and the terms and conditions of the grant of all the loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal amounts and receipts of interest has been delayed in certain cases. However, having regard to the nature of business and the volume of the information involved, it is not practicable to provide an itemized list of loan assets where delinquencies during the year in the repayment of principal and interest have been identified for loans other than derecognised during the year. Following delays were observed as at March 31, 2023:

Particulars	Total Overdue amount (Principal and Interest) (Rs. in Crores)	Number of cases
1-29 days	9.65	3,248
30 - 90 days	38.65	1,936
More than 90 days	70.16	1,567

- (d) In respect of loans granted by the Company, which has been overdue for more than 90 days at the balance sheet date, loans other than derecognized during the year, as explained to us and on the basis of our examination of records, the Management has taken reasonable steps for recovery of principal amounts and interests.

Number of cases	Principal amount overdue (Rs. in Crores)	Interest Overdue (Rs. in Crores)	Total Overdue (Rs. in Crores)
3 – Wholesale loan cases	23.04	45.43	68.47
1,564 – Retail loan cases	1.49	0.20	1.69

As per the Company's stated accounting policy, it has not recognized interest income on loans which are overdue for 90 days or above.

- (e) The reporting under clause 3(iii)(e) of the Order are not applicable to the Company as its principal business is to give loans.





- (f) The Company has not granted any loans or advances in the nature of loans during the year either payable on demand or without specifying any terms or period of repayment during the year and hence reporting under Clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. The Company is a NBFC and engaged in the business of financing. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 186 (1) of the Companies Act, 2013 in respect of the investments made. Section 185 and other provisions of Section 186 are not applicable to the Company.
- v. According to the information and explanations given to us and on the basis of our examination of records of the Company, no deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 have been accepted by the Company and hence reporting under Clause 3(v) of the Order is not applicable to the Company.
- vi. On July 26, 2022, the Company had received Certificate of Registration to carry on the business of Non-Banking Financial Institution. The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the services of the Company and hence reporting under Clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, sales tax, custom duty, duty of excise, value added tax, cess and other material statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records, there are no statutory dues mentioned in Clause vii (a) which have been not deposited on account of any dispute except as disclosed below:

Name of the Statute	Nature of the dues	Forum where dispute is pending	Period to which the Amount Relates	Gross amount of dispute (Rs in Crores)	Amount Unpaid (Rs in Crores)
Income Tax Act, 1961	Income Tax	Appellate Tribunal	AY 2003-04, 2005-06 to 2007-08, 2012-13, 2013-14, 2019-20	78.43	0.15
		Appellate Authority up to Commissioner's level	AY 2005-06, 2006-07, 2010-11, 2011-12, 2012-13, 2014-15, 2016-17, 2019-20 and 2020-21	89.99	59.52
		High Court	AY 2002-03 and 2008-09 to 2010-11	155.78	6.65





Central Excise Laws	Excise Duty & Service Tax including interest and penalty, as applicable.	CESTAT	1996-97 to 2000-01, 2004-05 to 2014-15	48.80	48.57
		Appellate Authority up to Commissioner's level	1989-90, 1995-96, 1998-99, 2004-05 to 2005-06 and 2013-18	6.13	6.12
Sales Tax Laws	Sales Tax	Tribunal	1990-91, 1995-96, 1997-98 to 2004-05, 2006-07 to 2010-11, 2012-13 to 2013-14	4.22	2.53
		Appellate Authority up to Commissioner's level	1998-99 to 2011-12, 2014-15	4.81	2.23
		High Court	2009-10	0.71	0.32
Stamp Act	Stamp Duty	High Court	1997-98, 1999-2000, 2001-02	9.37	9.37

- viii. According to the information and explanations given to us and on the basis of our examination of the records, there were no amounts to be recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders and hence reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) On the basis of information and explanations given to us and on the basis of our examination of the records, the Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (c) To the best of our knowledge and belief, in our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the term loans have been applied for the purposes for which they have been raised.
- (d) On an overall examination of the standalone financial statements, in our opinion the Company has, prima facie, not utilized funds raised on short term basis for long term purposes.
- (e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture or associate and hence reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has raised term loan on the pledge of securities held in its associate company and has not defaulted in repayment of such loans as per details below:



Nature of loan taken	Name of lender	Amount of loan	Name of the subsidiary, joint venture, associate	Relation	Details of security pledged	Whether there is default in repayment of loan?
Term Loan	Standard Chartered Bank	Rs. 1,500 Crores	Shriram GI Holdings Private Limited	Associate	Equity Shares	No

Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised term loans on the pledge of securities held in its subsidiary or joint venture.

- x. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment, private placement of shares or fully or partly convertible debentures during the year and hence reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) During the year and up to the date of this report, no report under Sub Section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistleblower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Nidhi Company and hence reporting under Clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standards. (Refer note 36 to the standalone financial statements)
- xiv. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has an adequate internal audit system commensurate with the size and nature of its business.



- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedure.
- xv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable to the Company.
- xvi. (a) The Company being a NBFC is registered under Section 45-IA of the Reserve Bank of India Act, 1934 ('RBI Act').
- (b) On July 26, 2022, the Company has received Certificate of Registration to carry on the business of Non-Banking Financial Institution. The Company has conducted the non-banking financial activities with a valid certificate of registration.
- (c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one CIC as part of the Group.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There have been no resignation of the statutory auditor of the Company during the year and hence reporting under Clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- xx. According to the information and explanations given to us and on the basis of our examination of the records, there are no amounts unspent in respect of corporate social responsibility towards ongoing or other than ongoing projects and hence reporting under Clause 3(xx) (a) and (b) of the Order is not applicable to the Company.

**For Suresh Surana and Associates LLP**  
Chartered Accountants  
Firm's Registration. No.: 121750W / W-100010



**Santosh Maller**  
Partner  
Membership No.: 143824  
UDIN: 23143824BGQEK4004



Place: Mumbai  
Date: 5 May 2023

**For Bagaria & Co LLP**  
Chartered Accountants  
Firm's Registration. No.: 113447W / W-100019



**Rahul Bagaria**  
Partner  
Membership No.: 145377  
UDIN: 23145377BGRAES8364



Place: Mumbai  
Date: 5 May 2023



**Annexure "B" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Piramal Enterprises Limited of even date:**

**Report on the Internal Financial Controls with reference to standalone financial statement under Clause (i) of Sub-Section 3 of Section 143 of the Act**

We have audited the internal financial controls with reference to standalone financial statement of the Piramal Enterprises Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statement criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to standalone financial statement 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 Act.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statement and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statement included obtaining an understanding of internal financial controls with reference to standalone financial statement, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statement.





### **Meaning of Internal Financial Controls with reference to standalone financial statements**

A Company's internal financial control with reference to standalone financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control with reference to standalone financial statement 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the standalone financial statements and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statement to future periods are subject to the risk that the internal financial control with reference to standalone financial statement 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, broadly, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statement were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statement criteria established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Suresh Surana and Associates LLP**  
Chartered Accountants  
Firm's Registration No.: 121750W / W-100010

  
**Santosh Maller**  
Partner  
Membership No.: 143824  
UDIN: 23143824BGQQEK4004



Place: Mumbai  
Date: 5 May 2023

**For Bagaria & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 113447W / W-100019

  
**Rahul Bagaria**  
Partner  
Membership No.: 145377  
UDIN: 23145377BGRAES8364



Place: Mumbai  
Date: 5 May 2023

# Piramal Enterprises Limited

## Standalone Balance Sheet

as at 31 March, 2023

(Currency : Rs in crores)

	Note	As at 31 March, 2023	31 March, 2022 (Restated)
<b>A. ASSETS</b>			
<b>1. Financial assets:</b>			
(a) Cash and cash equivalents	3 (i)	1,678.22	1,409.90
(b) Bank balances other than cash and cash equivalents	3 (ii)	203.28	106.63
(c) Trade receivables	4	-	145.77
(d) Loans	5	8,758.34	10,534.87
(e) Investments	6	17,435.64	18,392.59
(f) Other financial assets	7	178.10	99.22
<b>Total Financial assets</b>		<b>28,253.58</b>	<b>30,688.98</b>
<b>2. Non- financial assets:</b>			
(a) Inventories	8	-	212.55
(b) Current tax assets (net)	9	722.87	590.34
(c) Deferred tax assets (net)	10	415.80	262.46
(d) Investment Property	34	1,335.31	1,335.31
(e) Property, Plant and Equipment	11	11.77	71.86
(f) Capital work-in-progress	11	-	3.46
(g) Intangible assets under development	11	2.72	-
(h) Other Intangible assets	11	7.38	3.47
(i) Right to Use Assets	35	10.88	23.25
(j) Assets held for sale	43	2,277.54	-
(k) Other non-financial assets	12	66.18	139.09
<b>Total Non-financial assets</b>		<b>4,850.45</b>	<b>2,641.79</b>
<b>Total Assets</b>		<b>33,104.03</b>	<b>33,330.77</b>
<b>B. LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1. Financial liabilities:</b>			
(a) Payables			
Trade payables	13		
(i) Total outstanding dues to micro and small enterprises		1.04	4.92
(ii) Total outstanding dues to creditors other than micro and small enterprises		98.21	568.21
(b) Debt securities	14 (i)	4,322.18	5,318.73
(c) Borrowings (other than debt securities)	14 (ii)	4,322.67	2,351.94
(d) Deposits	14 (iii)	70.41	700.75
(e) Other financial liabilities	15	69.00	80.26
<b>Total Financial liabilities</b>		<b>8,883.51</b>	<b>9,024.81</b>
<b>2. Non- financial liabilities:</b>			
(a) Current tax liabilities (net)	16	128.85	145.90
(b) Provisions	18	56.26	56.20
(c) Other non- financial liabilities	17	0.95	18.34
<b>Total Non-financial liabilities</b>		<b>186.06</b>	<b>220.44</b>
<b>3. Equity</b>			
(a) Equity share capital	19	47.73	47.73
(b) Other equity	20	23,986.73	24,037.79
<b>Total Equity</b>		<b>24,034.46</b>	<b>24,085.52</b>
<b>Total Liabilities and Equity</b>		<b>33,104.03</b>	<b>33,330.77</b>

The above Standalone Balance Sheet should be read in conjunction with the accompanying notes 2 to 57

In terms of our report attached

**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm Registration No:121750W / W-100010

**For Bagaria & Co LLP**  
Chartered Accountants  
Firm Registration No:113447W / W-100019

**For and on behalf of the Board of Directors**  
**Piramal Enterprises Limited**

**Santosh Maller**  
Partner  
Membership No: 143824

**Rahul Bagaria**  
Partner  
Membership No: 145377

**Ajay G. Piramal**  
Chairman  
(DIN:00028116)

Place : Mumbai  
Date : 5 May 2023

Place : Mumbai  
Date : 5 May 2023

Place : Mumbai  
Date : 5 May 2023

**Upma Goel**  
Chief Financial Officer

**Bipin Singh**  
Company Secretary

# Piramal Enterprises Limited

## Standalone Statement of Profit and Loss

For the year ended 31 March, 2023

(Currency : Rs in crores)

	Note	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
<b>Revenue from operations</b>			
(a) Interest income	21(i)	1,736.47	1,910.05
(b) Dividend income	21(ii)	140.34	360.38
(c) Fees and commission income	21(iii)	9.83	23.94
(d) Net gain on fair value changes	21(iv)	41.14	424.17
(e) Other operating income	21(v)	2,857.44	-
<b>Total revenue from operations</b>		<b>4,785.22</b>	<b>2,718.54</b>
(f) Other income	22	51.91	101.68
<b>Total income</b>		<b>4,837.13</b>	<b>2,820.22</b>
<b>Expenses</b>			
(a) Finance costs	23	711.77	1,243.37
(b) Fees and commission expense	24	18.09	40.09
(c) Net loss on derecognition of financial instruments under amortised cost category	25	1,371.31	-
(d) Impairment on financial instruments	26	3.42	31.43
(e) Employee benefits expense	27	83.86	135.86
(f) Depreciation, amortization and impairment	11 & 35	23.00	22.12
(g) Other expenses	28	227.00	159.91
<b>Total expenses</b>		<b>2,438.45</b>	<b>1,632.78</b>
Profit before exceptional items and tax		2,398.68	1,187.44
Exceptional items (net of tax)	29	11,912.22	(10.20)
<b>Profit before tax</b>		<b>14,310.90</b>	<b>1,177.24</b>
Less: Tax expenses			
Current tax	30	-	175.51
Deferred tax charge / (credit)	30	(22.40)	37.53
		<b>(22.40)</b>	<b>213.04</b>
<b>Profit for the year from continuing operations</b>		<b>14,333.30</b>	<b>964.20</b>
Profit from discontinued operations		-	37.51
Tax Expense of discontinued operations		-	(4.03)
Profit from discontinued operations(After tax)		-	<b>33.48</b>
<b>Profit after tax</b>		<b>14,333.30</b>	<b>997.68</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Changes in fair values of equity instruments through OCI		108.14	(19.59)
Remeasurement of the defined benefit liability/(asset)		1.37	0.05
Income tax relating to items that will not be reclassified to profit or loss		36.31	47.90
<b>Items that will be reclassified to profit or loss</b>			
Changes in fair values of debt Instruments through OCI		(0.27)	-
Income tax relating to items that will be reclassified to profit or loss		0.02	-
<b>Other comprehensive income</b>		<b>145.57</b>	<b>28.36</b>
<b>Total other comprehensive income for the year</b>		<b>14,478.87</b>	<b>1,026.04</b>
<b>Earnings per equity share (Basic and Diluted) (Rs.) (Face value of Rs. 2 each)</b>	31		
<b>For Continuing Operations</b>			
a) Basic EPS for the year (Rs.)		600.56	40.46
b) Diluted EPS for the year (Rs.)		598.58	40.31
<b>For Discontinued Operations</b>			
a) Basic EPS for the year (Rs.)		-	1.41
b) Diluted EPS for the year (Rs.)		-	1.40
<b>For Continuing and Discontinued Operations</b>			
a) Basic EPS for the year (Rs.)		600.56	41.87
b) Diluted EPS for the year (Rs.)		598.58	41.71

The above Standalone statement of Profit and Loss should be read in conjunction with the accompanying notes 2 to 57

In terms of our report attached

**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm Registration No:121750W / W-100010

**For Bagaria & Co LLP**  
Chartered Accountants  
Firm Registration No:113447W / W-100019

**For and on behalf of the Board of Directors**  
**Piramal Enterprises Limited**

**Santosh Maller**  
Partner  
Membership No: 143824

**Rajul Bagaria**  
Partner  
Membership No: 145377

**Ajay G. Piramal**  
Chairman  
(DIN:00028116)

Place : Mumbai  
Date : 5 May 2023

Place : Mumbai  
Date : 5 May 2023

Place : Mumbai  
Date : 5 May 2023



**Upma Goel**  
Chief Financial Officer

**Bipin Singh**  
Company Secretary

# Piramal Enterprises Limited

## Standalone Cash Flow Statement

For the year ended 31 March, 2023

(Currency : Rs in crores)

	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax including discontinued operations excluding exceptional items</b>	<b>2,398.68</b>	<b>1,224.94</b>
Adjustments:		
Gain on sale of mutual funds	(56.65)	(45.70)
Interest income from fixed deposits	(17.07)	(6.44)
Finance costs - expenses	711.77	1,243.37
Finance costs - paid including exceptional item	(925.07)	(1,191.49)
Unrealised (gain)/ loss on investment in Alternate Investment Funds	(12.46)	(42.69)
Unrealised (gain)/ loss on investment in debentures and loans and advances	-	(106.35)
Unrealised (gain)/ loss on investment in shares	115.04	3.45
Loss on derecognition of financial assets	1,371.31	-
Allowance for expected credit loss on loans and loan commitments	3.42	31.43
Derecognition of Intangibles under development	-	0.17
Loss on sale of subsidiary/ Provisions	52.20	-
Unrealised foreign exchange (gain) / loss	(1.85)	(24.68)
Depreciation and amortisation	23.00	22.12
<b>Operating cash flow before working capital changes</b>	<b>3,662.32</b>	<b>1,108.13</b>
Decrease / (Increase) in loans and advances	(126.68)	1,725.36
Decrease / (Increase) in investments	(2,299.88)	(243.57)
Decrease / (Increase) in Inventories	-	(110.51)
Decrease / (Increase) in other financial assets	(133.20)	700.69
Decrease / (Increase) in other non-financial assets	13.88	10.26
Decrease / (Increase) in trade receivables	13.16	33.99
Increase / (Decrease) in trade payables	(39.70)	130.49
(Decrease) / Increase in other financial liabilities	(13.24)	(28.03)
(Decrease) / Increase in provisions	7.27	(1.53)
(Decrease) / Increase in other non financial liabilities	(17.44)	2.73
<b>Cash generated from operations</b>	<b>1,066.50</b>	<b>3,328.02</b>
Less: Income taxes paid (Net)	(149.58)	(221.69)
<b>Net cash generated from operating activities (a)</b>	<b>916.92</b>	<b>3,106.32</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant & equipment and intangible assets	(8.71)	(8.00)
Addition to investment property	-	(37.68)
Proceeds from sale of mutual funds (net)	56.65	45.70
Proceeds from sale of subsidiary	1.65	-
Interest income from fixed deposits	17.07	6.44
(Increase)/Decrease in other Bank balances	(103.97)	(33.76)
<b>Net cash flow used in investing activities (b)</b>	<b>(37.31)</b>	<b>(27.30)</b>
<b>C. Cash flow from financing activities</b>		
Debts securities (repaid)/availed (net)	(1,141.18)	(801.09)
Borrowing availed/(repaid) (net)	1,955.84	(1,089.46)
Deposits (repaid)/availed (net)	(630.56)	(452.17)
Coupon Payment on Compulsorily Convertible Debentures	-	(80.00)
Proceeds from Right Issue	-	199.67
Dividend paid	(787.59)	(787.59)
<b>Net cash flow used in financing activities (c)</b>	<b>(603.50)</b>	<b>(3,010.64)</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>	<b>276.11</b>	<b>68.38</b>
Cash and cash equivalents as at beginning of the year	1,409.90	1,341.52
Opening cash balance from discontinued operations	(7.79)	-
Cash and cash equivalents as at end of the year (refer note 3)	1,678.22	1,409.90
Cash flow from discontinued operations included above		
Net cash used from operating activities	-	(3.98)
Net cash flow used in from investing activities	-	(4.11)
Closing Cash and cash equivalents from discontinued operations	-	7.79

The above Standalone Cash Flow Statement should be read in conjunction with the accompanying notes 2 to 57

In terms of our report attached

**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm Registration No:121750W / W-100010

**For Bagaria & Co LLP**  
Chartered Accountants  
Firm Registration No:113447W / W-100019

**For and on behalf of the Board of Directors**  
**Piramal Enterprises Limited**

**Santosh Maller**  
Partner  
Membership No: 143824

**Rahul Bagaria**  
Partner  
Membership No: 145377

**Ajay G. Piramal**  
Chairman  
(DIN:00028116)

Place : Mumbai  
Date : 5 May 2023

Place : Mumbai  
Date : 5 May 2023

Place : Mumbai  
Date : 5 May 2023



# Piramal Enterprises Limited

## Standalone Statement of changes in equity For the year ended 31 March, 2023

(Currency : Rs in crores)

### A. Equity share capital:

Particulars	Amount
Balance as at April 1, 2021	45.11
Changes in equity share capital during the year ended 31 March, 2022	2.62
Balance as at 31 March, 2022	47.73
Balance as at April 1, 2022	47.73
Changes in equity share capital during the year ended 31 March, 2023	-
Balance as at 31 March, 2023	47.73

### B. Other equity:

Particulars	Equity Component of Compulsorily Convertible Debentures		Reserves and surplus			Employee stock options reserve	Retained Earnings	Other Comprehensive Income FVOCI - Equity and debt Instruments	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve				
Balance as at 1 April, 2021	2,826.50	9,703.57	61.73	4.16	5,798.55	140.68	3,553.61	65.51	23,681.67
Add/ (less): On account of merger of PHL Fininvest Private Limited (refer note 42)	(4.66)	-	-	-	-	85.00	(85.00)	-	(4.66)
Less: On account of sale of pharma business to Piramal Pharma Limited (refer note 42)	(74.71)	-	-	-	-	-	-	-	(74.71)
Add: Profit for the year	-	-	-	-	-	-	997.68	-	997.68
Add: Other comprehensive income (net of tax)	-	-	-	-	-	-	0.05	-	0.05
Less: Transferred from/to Debenture Redemption Reserve	-	-	-	(2.16)	-	-	2.16	-	-
Less: Issue and conversion of Compulsorily Convertible Debentures - Equity Component	-	1,525.03	-	-	-	-	-	-	(1,525.03)
Less: Rights Issue of Equity shares	-	199.37	-	-	-	-	-	-	(199.37)
Less: Final dividend paid for FY 20-21	-	-	-	-	-	-	(787.59)	-	(787.59)
Balance as at 31 March, 2022	2,747.13	11,427.97	61.73	2.00	5,798.55	225.68	3,680.91	93.62	24,037.79
Add: Profit for the year	-	-	-	-	-	-	14,333.30	-	14,333.30
Add: Other comprehensive income (net of tax)	-	-	-	-	-	-	1.37	-	1.37
Add/ (less): Realised Income/ (loss) on FVOCI equity Instruments	-	-	-	-	-	-	488.29	(488.29)	-
Less: Final dividend paid for FY 21-22	-	-	-	-	-	-	(787.59)	-	(787.59)
Less: Transferred from / to Debenture Redemption Reserve	-	-	-	(2.00)	-	-	2.00	-	-
Movements for the year	-	-	-	-	-	-	(0.05)	-	(0.05)
Less: Payable to shareholders (refer note 42)	-	-	-	-	-	-	(13,742.31)	-	(13,742.31)
Add / (less): Transfer to Statutory Reserve Fund	-	-	-	-	-	484.27	(484.27)	-	-
Balance as at 31 March, 2023	2,747.13	11,427.97	61.73	-	5,798.55	709.95	3,491.65	(250.27)	23,986.73

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes 2 to 57

In terms of our report attached

For Suresh Surana & Associates LLP

Chartered Accountants

Firm Registration No:121750W / W-100010

For Bagaria & Co LLP

Chartered Accountants

Firm Registration No:113447W / W-100019

Santosh Malher

Partner

Membership No: 143824

Place : Mumbai

Date : 5 May 2023



Santosh Bagaria  
Partner  
Membership No: 145377

Place : Mumbai

Date : 5 May 2023

For and on behalf of the Board of Directors  
Piramal Enterprises Limited

*(Signature)*

Ajay G. Piramall  
Chairman  
(DIN:00028116)

*(Signature)*  
Uma Goyal  
Chief Financial Officer

Place : Mumbai

Date : 5 May 2023

*(Signature)*  
Ajay G. Piramall  
Company Secretary



# Piramal Enterprises Limited

## Notes to the Standalone Financial Statements

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 1A Company Information

Piramal Enterprises Limited ('the Company'), incorporated in India, is a public limited company, headquartered in Mumbai. On 26 July 2022, the Company received Certificate of Registration from the Reserve Bank of India (RBI) to carry on the business of Non-Banking Financial Institution - Systematically Important Non-Deposit taking. The Company is engaged in providing finance. Under the Scale Based Regulations of the RBI, the Company is classified as a NonBanking Finance Company - Middle Layer (NBFC-ML). The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India.

The Company's registered office is at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400 070.

The Group provides comprehensive financing solutions to various companies. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance, and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals - Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL). CFG provides customised funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). The Group has also launched Distressed Asset Investing platform that invests in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. The Group also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge (CDPQ). The Group has equity investments in Shriram Group, a leading financial conglomerate in India.

### 1B Basis of Preparation

#### 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, the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions'), notification for Implementation of Indian Accounting Standards issued by RBI vide circular RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI notification for Implementation of Ind AS') and other applicable RBI circulars/notifications.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow, Statement of Changes in Equity, summary of the significant accounting policies and other explanatory information are together referred as the financial statements of the Company.

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

Until the financial year ended 31 March 2022, the Company used to prepare and present financial statements as per the format prescribed in Division II of Schedule III to Companies Act, 2013. On 26 July 2022, the holding company has received Certificate of Registration to carry on the business of Non-Banking Financial Institution. Hence, the Company is required to prepare and present financial statements as per the format prescribed in Division III of Schedule III to Companies Act, 2013. The format and figures in the statement of profit and loss and balance sheet of the previous period in the financial statements have been accordingly restated and reclassified to conform to the new format.

The Company commenced its NBFC business on 18 August 2022

The standalone financial statements are presented in Indian Rupee (₹), which is also the functional currency of the Company, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act.

#### 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. The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### i. Revenue recognition

#### Interest Income

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the default is cured and the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis. Penal / Default interest income is booked on receipt basis.

#### Fee and commission income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due. Loan processing fees income is accounted for on effective interest basis except for processing fees income collected from the customers which approximates to the corresponding file cost incurred. Arranger fees income is accounted for on accrual basis.



# Piramal Enterprises Limited

## Notes to the Standalone Financial Statements

For the year ended 31 March, 2023

(Currency : Rs in crores)

### Dividend Income

Dividend income from investments is recognised when the Company'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).

### Net gain on fair value changes

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per the criteria in Ind AS 109. The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

### Other Operating revenue

The Items of financial instruments acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, are measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable. If the Company is able to measure reliably the fair value of either the asset received or the asset given up, then the fair value of the asset given up is used to measure the cost of the asset received unless the fair value of the asset received is more clearly evident. The difference between the fair value of the financial instrument acquired and the carrying amount of the asset given up is recognised in statement of profit and loss.

### 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 in the amount to which the Company has a right to invoice.

## ii. Financial instruments

### Initial Recognition

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

#### Investments and Other Financial Assets Classification

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

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

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

### Subsequent Measurement

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

### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

### 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 other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

### 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.



# Piramal Enterprises Limited

## Notes to the Standalone Financial Statements

For the year ended 31 March, 2023

(Currency : Rs in crores)

### Equity instruments

The Company subsequently measures all equity investments at fair value. Where, in case of long term investments, the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification on derecognition of fair value gains and losses to the statement of profit and loss. Dividends from such investments are recognised in the statement of profit and loss when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss.

The Company transfers amounts from FVTOCI reserve to retained earnings when the relevant equity securities are derecognised.

### Reclassification of financial assets and liabilities:

After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

### iii. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, 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."

In case of other than trade receivables, the expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days.

The Company also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

1. Significant negative deviation in the business plan of the borrower
2. Internal rating downgrade for the borrower or the project
3. Current and expected financial performance of the borrower
4. Need for refinance of loan due to change in cash flow of the project
5. Significant decrease in the value of collateral
6. Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure (including off Balance Sheet Commitments), the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default Assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

### 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.

### Securitization and direct assignment

The Company transfers loans through securitisation and direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.

### iv. Investments in subsidiaries, associates, joint operations and joint ventures 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 is not control or joint control over those policies.





# Piramal Enterprises Limited

## Notes to the Standalone Financial Statements

For the year ended 31 March, 2023

(Currency : Rs in crores)

### Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has only joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings, if any.

### Investments in subsidiaries, associate and joint ventures :

Investments in subsidiaries, associate and joint ventures are measured at cost less accumulated impairment, if any.

### v. Property, Plant and Equipment

All items of Property Plant & Equipment (other than freehold land) are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Freehold Land is carried at historical cost. 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 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
Office Equipment	3 years - 15 years
Furniture & Fixtures	3 years - 15 years
Buildings	10 years - 60 years
Roads	10 years
Plant & Equipment	3 years - 20 years
Continuous Process Plant	25 years
Motor Vehicles	8 years
Helicopter	20 years
Ships	13 years

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

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

Asset Class	Useful life
Brands and Trademarks	10 - 15 years
Computer Software	3 - 6 years

### vii. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Cost of an investment property comprises its purchase price and any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss on disposal of an investment property is recognised in profit or loss.

### viii. 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.

### ix. Retail lending:

The Company uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of 5-year internal PD/LGD data, the Company uses external PD/LGD data from credit bureau agency (TransUnion for Mar-22) for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios.

### 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.



# Piramal Enterprises Limited

## Notes to the Standalone Financial Statements

For the year ended 31 March, 2023

(Currency : Rs in crores)

### xi. Assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

### xii. 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.

#### 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.

#### Derecognition of financial assets

Loans and investments debt instruments are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off/ may assign / sell loan exposure to ARC / Bank / a financial institution for a negotiated consideration. Recoveries resulting from the Company's enforcement activities could result in impairment gains. The Company has a Board approved policy on Write off and one time settlement of loans.

#### Foreign exchange gains and losses

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

#### Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 - Revenue from Contracts with Customers.

#### 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.

#### 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.





# Piramal Enterprises Limited

## Notes to the Standalone Financial Statements

For the year ended 31 March, 2023

(Currency : Rs in crores)

### xiii. 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.

### xiv. Inventories

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

### xv. Employee Benefits

#### (i) Short-term obligations

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

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Long-Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

#### (iii) Post-employment obligations

The Company operates the following postemployment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme
- Defined Benefit plans such as provident fund and Gratuity

In case of Provident fund, contributions are made to a Trust administered by the Company, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

#### Defined Contribution Plans

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

#### Defined Benefit Plan

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

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

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

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

### xvi. 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.

### xvii. 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.



# Piramal Enterprises Limited

## Notes to the Standalone Financial Statements

For the year ended 31 March, 2023

(Currency : Rs in crores)

### xviii. 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.

### xix. Leases

The Company's lease asset classes primarily consist of leases for land, buildings and IT assets. At the date of commencement of the lease, the Company recognises 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 recognises the lease payments as an operating expense on a straightline basis over the term of the lease. The right-of-use assets are initially recognised 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.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application effective April 1, 2019:

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 recognise 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

### xx. 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.

### xxi. Cash and Cash Equivalents

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.

### xxii. 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.

### xxiii. Segment Reporting

In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Company's chief operating decision maker ("CODM"). The Company has identified only one reportable business segment as it deals mainly in provision of lending business.

### xxiv. Dividends

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

### xxv. Earnings per share

#### Basic earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

#### Diluted earnings per share

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.



# Piramal Enterprises Limited

## Notes to the Standalone Financial Statements

For the year ended 31 March, 2023

(Currency : Rs in crores)

### xvii. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

### 28 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 current macro economic scenario

In assessing the recoverability of loans, receivables, intangible assets and investments, the Company has considered internal and external sources of information, including credit reports, 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.

#### ii. Fair Valuation:

Certain financial assets of the Company are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. In such cases, the Company usually engages third party qualified external valuer to establish the appropriate valuation techniques and inputs to the valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 38.

#### iii. Expected Credit Loss Impairment and Net Loss arising on Derecognition of financial asset:

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

When determining the provision for impairment loss on financial assets carried at amortised cost and Loan commitments, in line with Expected Credit Loss model, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort for determining the Probability of default (PD) and Loss Given default (LGD). The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. Key estimation uncertainties of ECL include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weights, to derive the economic inputs into the ECL model
- Additional ECL provision (including management overlay) used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

The inputs used and process followed by the Company in determining the impairment loss in line with Expected Credit loss model have been detailed in Note 40.3. It has been the Company's policy to regularly review its model in the context of actual loss experience, macro economical factors and adjust when necessary.

#### iv. Impairment loss in Investments and investment property carried at cost:

The Company conducts impairment reviews of investments in subsidiaries/ associates/ joint arrangements and Investment property, 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 is based on future cash flows and a suitable discount rate in order to calculate the present value.

#### v. Income taxes and Deferred Tax Asset

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.





# Piramal Enterprises Limited

## Notes to the Standalone Financial Statements

For the year ended 31 March, 2023

(Currency : Rs in crores)

**vi. Effective Interest Rate (EIR) Method**

The Company recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

**vii. Going Concern**

The financial statements of the Company are prepared on a going concern basis. Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future.

**viii. Demerger of Pharma undertaking**

All assets and liabilities pertaining to demerged Pharma undertaking have been classified as non-cash assets held for transfer to Piramal Pharma Limited / shareholders as on 1st April 2022 being the appointed date. The difference between book values of the assets and liabilities transferred is recognised as gains in Profit and loss account as per the requirements of Appendix A to Ind AS 10. At the date of approval of the Scheme, the Company remeasured the liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. The corresponding aggregate charge was recognised in retained earnings (reserve).

The nature of the gain (including remeasurement gain) being non-recurring in nature was classified as exceptional item by the Company.

As per the requirements of Ind AS 105, the income and expense pertaining to Pharma business in the previous comparable periods were presented in a separate line item – discontinued operations.

**ix. Non-current assets held for sale and discontinued operations**

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale.

Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the Standalone Balance Sheet.

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Statement of Profit and Loss.

The presentation and disclosures relating to the statement of profit and loss pertaining to discontinued operations by the end of the current period are re-presented in the financial statements. There is no reclassification or re-presentation of amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the balance sheets for prior periods to reflect the classification in the balance sheet for the latest period presented.

**x. Business Combination under Common Control**

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical costs. The difference between any consideration given and the aggregate historical carrying amount of assets and liabilities of the acquired entity are recorded in shareholders' equity.

In case of bargain purchase, before recognising gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amount that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

The Company presents a third balance sheet as at the beginning of the preceding period in addition to the minimum comparative financial statements, if it applies accounting policies retrospectively, makes retrospective restatement of items in its financial statements or reclassifies items in its financial statements and the same has material impact on the third balance sheet.

**xi. Share based Payment**

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

as at 31 March, 2023

(Currency : Rs in crores)

### 3 (i) Cash and cash equivalents

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Cash on hand *	-	0.01
Balances with banks - current account	1,678.22	609.92
Fixed deposits (with original maturity less than 3 months) with banks	-	799.97
<b>Total cash and cash equivalents</b>	<b>1,678.22</b>	<b>1,409.90</b>

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

### 3 (ii) Bank balances other than cash and cash equivalents

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Earmarked balance with banks		
-Unclaimed Dividend Account	15.86	16.43
-Fixed deposits (with original maturity more than 3 months) with banks	182.12	86.28
-Margin Money	5.30	3.92
<b>Total bank balances other than (i) above</b>	<b>203.28</b>	<b>106.63</b>

### 4 TRADE RECEIVABLES

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
(a) Secured - Considered Good	-	0.09
(b) Unsecured - Considered Good	-	146.08
Less: Expected Credit Loss on (b)	-	(0.40)
	-	145.77
(c) Unsecured - Considered Doubtful	-	10.45
Less: Expected Credit Loss on (c)	-	(10.45)
	-	-
<b>TOTAL</b>	<b>-</b>	<b>145.77</b>

#### For previous year

a) The credit period on sale of goods generally ranged from 7 to 150 days

b) The Company has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), Company performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

Of the Trade Receivables balance as at March 31, 2023 of Rs. Nil (as at March 31, 2022 of 156.62 Crores), the top 3 customers of the Company represent the balance of Rs. Nil as at March 31, 2023 (as at March 31, 2022 - 57.91 Crores). as at March 31, 2022 there were five 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 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 follows:

#### Ageing of Trade receivable as at 31 March, 2022

Particulars	Undisputed Trade receivables – considered good	Undisputed Trade Receivables – considered doubtful	Disputed Trade receivables – considered good	Disputed Trade Receivables – considered doubtful	Total
Not due	92.87	-	-	0.07	92.94
Less than 6 months	48.02	-	-	-	48.02
6 months - 1 year	4.80	-	-	-	4.80
1 year - 2 years	0.48	3.50	-	-	3.98
2yr-3yr	-	0.55	-	-	0.55
More than 3 years	-	6.33	-	-	6.33
<b>Total</b>	<b>146.17</b>	<b>10.38</b>	<b>-</b>	<b>0.07</b>	<b>156.62</b>

#### Movement in Expected Credit Loss Allowance:

	31 March, 2023	31 March, 2022
Balance at the beginning of the year	-	7.79
Less: Amounts written off	-	-
Less: Amounts Transferred to Piramal Pharma Limited	-	-
Add: Net Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	3.06
Balance at the end of the year	-	10.85

Refer Note 36 for the receivables from Related Parties.





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued) as at 31 March, 2023

(Currency : Rs in crores)

### 5 Loans

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
<b>Loans within India</b>		
<b>Term loan - at amortised cost</b>		
- Secured by tangible assets, considered good	6,123.21	6,011.39
Less: Provision for expected credit loss	(283.14)	(169.33)
- Unsecured, considered good	1,076.21	252.02
Less: Provision for expected credit loss	(38.06)	(5.42)
- Significant increase in Credit Risk - Secured	1,427.05	959.87
Less: Provision for expected credit loss	(320.77)	(154.09)
- Significant increase in Credit Risk - Unsecured	4.32	1.59
Less: Provision for expected credit loss	(0.29)	(0.05)
- Credit impaired - Secured	284.84	640.06
Less: Provision for expected credit loss	(162.64)	(348.49)
- Credit impaired - Unsecured	3.12	27.99
Less: Provision for expected credit loss	(2.70)	(27.11)
<b>Term loan - at FVTPL</b>		
- Secured by tangible assets, considered good	107.54	416.01
<b>Intercompany deposit measured at amortised cost</b>		
- Unsecured, considered good	517.57	2,915.04
Less: Provision for expected credit loss	(10.52)	(9.79)
- Credit impaired - Secured	72.27	75.17
Less: Provision for expected credit loss	(39.67)	(50.00)
<b>Loans outside India</b>		
	-	-
<b>Total loans</b>	<b>8,758.34</b>	<b>10,534.87</b>
Loan to Public Sectors	-	-
Loan to Others	<b>8,758.34</b>	<b>10,534.87</b>
<b>Total loans</b>	<b>8,758.34</b>	<b>10,534.87</b>

Note: The Company has sold certain stressed portfolio classified under amortised cost for liquidity and recovery management strategy of the Company. Such sale of loans will not lead to change in business model as per the company's board approved policy and management's evaluation of business model.  
Refer Note 36 for the receivables from Related Parties.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

as at 31 March, 2023

(Currency : Rs in crores)

### 6 Investments

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
<b>(A) Measured at amortised cost</b>		
<b>(i) Debt Securities</b>		
Redeemable Non Convertible Debentures (Quoted)	-	247.75
Redeemable Non Convertible Debentures (Unquoted)	520.09	1,299.12
Redeemable Non Convertible Debentures (Unquoted) - In Joint Venture	13.14	13.14
Less: Provision for expected credit loss	(102.73)	(212.38)
	<b>430.50</b>	<b>1,347.64</b>
<b>(ii) Government Securities</b>		
Government securities	292.04	-
<b>Total (A)</b>	<b>722.54</b>	<b>1,347.64</b>
<b>(B) Measured at Fair Value through Other comprehensive Income</b>		
<b>(i) Equity Shares (Quoted)</b>		
Equity Shares*	148.23	1,436.48
<b>(ii) Treasury Bills</b>		
Treasury Bills	667.62	-
<b>Total (B)</b>	<b>815.85</b>	<b>1,436.48</b>
* During the current year the Company has partially disposed off certain investments for strategic reasons (refer note 20.6)		
<b>(C) Measured at Fair Value through Profit and Loss</b>		
<b>(i) Debt Securities</b>		
Redeemable Non Convertible Debentures	48.88	559.31
<b>(ii) Alternate Investment Funds</b>		
Alternate Investment Funds	2,336.10	2,149.83
<b>(iii) Mutual Funds</b>		
Mutual Funds	150.91	604.44
<b>(iv) Equity Instruments (Unquoted)</b>		
Equity Instruments (Unquoted)	0.15	6.81
<b>(v) Equity Instruments (Quoted)</b>		
Equity Instruments (Quoted)	3,933.43	-
<b>(vi) Preference Shares (Unquoted)</b>		
Preference Shares (Unquoted)	111.00	106.84
<b>(vii) Others</b>		
Investment in Security Receipts	532.72	-
<b>Total (C)</b>	<b>7,113.19</b>	<b>3,427.24</b>
<b>(D) Measured at Cost</b>		
<b>(i) In Subsidiaries Equity Investments (Unquoted)</b>		
Piramal Holdings (Suisse) SA (refer note 6.2)		
Class A shares	-	106.70
Class B shares (Non Voting)	-	1,224.80
Add: Capital Contribution (Guarantee)	-	8.88
Less: Impairment Provision	-	(1,312.35)
	-	28.03
Piramal Systems and Technologies Private Limited (refer note 6.7)	49.43	49.43
Less: Impairment Provision	(49.43)	(49.43)
	-	-
PEL Finhold Private Limited	69.05	69.05
Less: Impairment Provision	(69.05)	(69.05)



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

as at 31 March, 2023

Piramal Fund Management Private Limited	108.26	108.26
Piramal Investment Advisory Services Private Limited	2.70	2.70
Piramal Consumer Products Private Limited	14.57	14.57
Piramal Dutch IM Holdco B.V. (refer note 6.4 & 6.6)	-	-
Piramal Capital and Housing Finance Limited	7,896.65	7,896.65
Add: Capital Contribution (Guarantee)	3.77	3.77
Piramal Asset Management Private Limited	49.00	1.00
Piramal Securities Limited	42.00	42.00
Less: Impairment Provision	(26.00)	-
	<u>16.00</u>	<u>42.00</u>
Piramal Pharma Limited (refer note 42 & note 6.5)	-	1,463.45
Viridis Power Infrastructure Managers Private Limited	-	0.01
Viridis Infrastructure Investment Managers Private Limited	0.01	0.01
Class A Units of Piramal Investment Opportunities Fund Scheme - I	2.65	2.65
Piramal Finance Sales and Service Private Limited (refer note 6.3)	-	0.10
Piramal Alternatives Trust	321.89	-
	<u><b>8,415.50</b></u>	<u><b>9,563.19</b></u>
<b>(ii) In Joint Ventures (Unquoted) - At Cost:</b>		
India Resurgence ARC Private Limited	54.00	54.00
India Resurgence Asset Management Business Private Limited	20.00	20.00
Shrilekha Business Consultancy Private Limited (refer note 6.1)	-	2,146.16
India Resurgence Fund - Scheme 2	294.56	236.76
Piramal Structured Credit Opportunities Fund -closed ended scheme-Cateorv AIF-2	-	161.11
	<u><b>368.56</b></u>	<u><b>2,618.03</b></u>
<b>(iii) In Associates (Unquoted) - At Cost :</b>		
Shriram Capital Limited	-	0.01
	<u>-</u>	<u>0.01</u>
<b>Total (D)</b>	<u><b>8,784.06</b></u>	<u><b>12,181.23</b></u>
<b>Total investments (A+B+C+D)</b>	<u><b>17,435.64</b></u>	<u><b>18,392.59</b></u>
<b>Out of above</b>		
- In India	<b>17,287.41</b>	17,996.71
- Outside India	<b>148.23</b>	395.88

Notes :-

- 6.1 During the year, pursuant to Composite Scheme of Arrangement and Amalgamation in Shriram group, the Company received shares of Shriram Finance Limited (SFL), Shriram LI Holdings Private Limited (SLIH), Shriram GI Holdings Private Limited (SGIH) and Shriram Investment Holdings Limited (SIHL) against the shares of Shriram City Union Finance Limited(SCUF) and Shrilekha Business Consultancy Private Limited(Shrilekha). These shares have been initially recognised as per the requirement of Ind AS 109 as follows:  
 (a) Shares received against investment in SCUF resulted in gain of Rs. 172.10 crores accounted in other comprehensive income.  
 (b) Shares received against investment in Shrilekha resulted in gain of Rs. 2,857.44 crores accounted in profit and loss under "other operating income"
- 6.2 During the the year ended 31 March 2023, the Company has divested its stake in Piramal Holdings (Suisse) SA ('PHSA'), a non-operative, non-material wholly owned subsidiary of the Company to Heather Investment in Commercial Enterprises & Management Co. LLC, UAE, for a consideration of Rs.1.65 crores. Consequent to the divestment, PHSA ceases to be a wholly-owned subsidiary of the Company.
- 6.3 During the year, the Company has sold a wholly owned subsidiary company "Piramal Finance Sales and Service Private Limited" to Piramal Capital and Housing Fiance Limited (subsidiary Company).
- 6.4 Amounts are below the rounding off norm adopted by the Company.
- 6.5 During the previous year ended March 31, 2022 Piramal Pharma Limited (PPL) a wholly-owned subsidiary has issued 96,57,423 equity shares of face value of Rs 10 each in lieu of the outstanding payables of Rs 592 Crores to the Company.
- 6.6 During the previous year ended March 31, 2022, Piramal Dutch IM Holdco B.V. (Dutch IM), a wholly-owned subsidiary of the Company has repurchased 2,00,00,000 shares held by the Company, at a nominal value of EUR 1 per share aggregating to the total consideration of Rs 167.32 Crores
- 6.7 During the previous year ended March 31, 2022, the Company has exercised conversion option in respect of optionally convertible debentures (including accrued interest) of Rs. 36.03 Crores held in Piramal Systems and Technologies Private Limited (PSTPL), a wholly-owned subsidiary of the Company. On conversion, the Company has received 3,60,26,630 equity shares of face value of Rs. 10 each. Further, the Company has also received 89,07,451 equity shares of face value of Rs. 10 each, on conversion of outstanding loan of Rs 8.90 Crores given by the Company to PSTPL.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

as at 31 March, 2023

(Currency : Rs in crores)

### 7 Other financial assets

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
<i>Unsecured, considered good (unless otherwise stated)</i>		
Security Deposits	12.72	14.84
Other receivable	90.96	72.57
Due from related parties		
Piramal Capital & Housing Finance Limited	74.42	6.98
Piramal Investment Advisory Services Private Limited	-	4.83
<b>Total other financial asset</b>	<b>178.10</b>	<b>99.22</b>

### 8 Inventories

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Raw & Packing Material	-	29.41
Work-in-progress	-	29.99
Finished goods	-	26.45
Stock-in-trade	-	125.09
Stores and spares	-	1.61
<b>Total inventories</b>	<b>-</b>	<b>212.55</b>

#### Notes:

Refer Note 2 (xiv) for policy for valuation of inventories

### 9 Current tax assets (Net)

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Advance Tax (net of Provision) (net of Provision of Rs. 5,309.48 crore, 31 March 2022 Rs. 5,209.2 crore)	722.87	590.34
<b>Total current tax assets (net)</b>	<b>722.87</b>	<b>590.34</b>

### 10 Deferred tax assets (Net)

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Deferred tax assets	758.65	307.66
Deferred tax liabilities	(342.85)	(45.20)
<b>Total deferred tax assets (Net)</b>	<b>415.80</b>	<b>262.46</b>

#### Movement of deferred tax during the year

Particulars	Opening balance as on 31 March, 2022	Recognised in Profit and loss	Recognised in Other comprehensive income	Others	Closing balance as on 31 March, 2023
<b>Movement in deferred tax assets and liabilities:</b>					
Measurement of financial liabilities at amortised cost	(9.25)	0.85	-	-	(8.40)
Measurement of financial assets at amortised cost/fair value	33.60	(369.72)	36.31	-	(299.80)
Provision for assets of financial services	227.37	1.65	-	-	229.02
Fair value measurement of derivative contracts	-	-	-	-	-
Deferred interest expense	(3.93)	13.82	0.02	-	9.91
Other Provisions	12.10	7.08	-	-	19.17
Property, Plant and Equipment and Intangible Assets	(8.48)	(3.72)	-	4.24	(7.96)
Deferred Revenue	21.01	24.01	-	-	45.02
Amortisation of expenses which are allowed in current year	(23.54)	(2.25)	-	-	(25.79)
Expenses that are allowed on payment basis	11.14	0.00	-	-	11.14
Recognition of lease rent expense	2.45	-	-	-	2.45
Others	-	(0.90)	-	-	(0.90)
DTA on business loss	-	155.72	-	-	155.72
DTA on capital loss	-	286.23	-	-	286.23
<b>Total</b>	<b>262.46</b>	<b>112.77</b>	<b>36.33</b>	<b>4.24</b>	<b>415.80</b>

Particulars	Opening balance as on 31 March, 2021	Recognised in Profit and loss	Recognised in Other comprehensive income	Others	Closing balance as on 31 March, 2022
<b>Movement in deferred tax assets and liabilities:</b>					
Measurement of financial liabilities at amortised cost	(31.27)	22.02	-	-	(9.25)
Measurement of financial assets at amortised cost/fair value	34.03	(48.47)	48.04	-	33.60
Provision for assets of financial services	241.07	(13.70)	-	-	227.37
Fair value measurement of derivative contracts	(0.16)	0.16	-	-	-
Deferred Interest expense	(17.47)	13.54	-	-	(3.93)
Other Provisions	12.45	(0.35)	-	-	12.10
Property, Plant and Equipment and Intangible Assets	(8.01)	(0.47)	-	-	(8.48)
Deferred Revenue	42.65	(21.64)	-	-	21.01
Amortisation of expenses which are allowed in current year	(37.38)	13.84	-	-	(23.54)
Expenses that are allowed on payment basis	18.72	(7.44)	(0.14)	-	11.14
Recognition of lease rent expense	1.49	0.96	-	-	2.45
<b>Total</b>	<b>256.12</b>	<b>(41.55)</b>	<b>47.90</b>	<b>-</b>	<b>262.46</b>

### 12 Other non-financial assets

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Goods and service tax credit receivable	63.65	112.17
Advance for expenses	1.89	18.85
Prepaid expenses	0.64	2.71
Others	-	5.36
<b>Total other non-financial assets</b>	<b>66.18</b>	<b>139.09</b>



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

as at 31 March, 2023

(Currency : Rs in crores)

### 11 Property, plant and equipment, Intangible Assets, Intangible Assets under development and capital work in progress

Particulars	Cost			Accumulated Depreciation / Amortisation			Net Carrying Amount		
	Opening As at April 1, 2022	Additions during the year	Deductions	Transferred as per composite arrangement (refer note 42)	Charge for the year	Deductions	Transferred as per composite arrangement (refer note 42)	As at March 31, 2022	As at March 31, 2023
<b>Tangible Assets</b>									
Land Freehold	0.49	-	-	-	-	-	-	-	0.49
Buildings	39.13	0.45	-	34.86	1.27	1.04	8.96	0.95	3.77
Roads	1.43	-	-	1.43	-	-	1.01	-	-
Plant & Equipment	54.16	0.11	-	26.41	3.21	1.43	7.23	25.09	2.77
Furniture and fixtures	20.29	0.25	0.01	5.73	1.08	0.37	3.64	13.28	1.52
Motor Vehicles	5.87	-	-	0.92	0.64	-	0.48	3.50	1.45
Ships	0.88	-	-	-	0.09	-	-	0.70	0.18
Helicopter^	9.60	-	9.60	-	5.38	9.16	-	-	-
Office equipment	6.36	0.33	0.26	4.60	0.54	0.58	0.92	0.23	1.60
<b>Total (I)</b>	<b>138.21</b>	<b>1.14</b>	<b>9.87</b>	<b>73.95</b>	<b>12.21</b>	<b>12.58</b>	<b>22.24</b>	<b>43.75</b>	<b>11.77</b>
Computer Software	15.47	5.03	0.99	-	1.40	1.27	-	12.13	7.38
Intangible assets under development	-	2.72	-	-	-	-	-	-	2.72
<b>Total (II)</b>	<b>15.47</b>	<b>7.75</b>	<b>0.99</b>	<b>-</b>	<b>1.40</b>	<b>1.27</b>	<b>-</b>	<b>12.13</b>	<b>10.10</b>
<b>Grand Total (I+II)</b>	<b>153.67</b>	<b>8.89</b>	<b>10.87</b>	<b>-</b>	<b>13.62</b>	<b>13.86</b>	<b>22.24</b>	<b>55.87</b>	<b>21.87</b>

Particulars	Cost			Accumulated Depreciation / Amortisation			Net Carrying Amount		
	Opening As at April 1, 2021	Additions during the year	Deductions	Transferred as per composite arrangement	Charge for the year	Deductions	Transferred as per composite arrangement	As at March 31, 2022	As at March 31, 2022 Restated (A-B)
<b>Tangible Assets</b>									
Land Freehold	0.49	-	-	-	-	-	-	-	0.49
Buildings	36.93	2.20	-	39.13	2.21	7.47	-	9.68	29.45
Roads	1.43	-	-	1.43	0.09	0.92	-	1.01	0.42
Plant & Equipment	47.87	6.29	-	54.16	3.64	26.90	-	30.54	23.62
Furniture and fixtures	19.24	1.21	0.16	20.29	2.23	14.13	0.15	16.21	4.08
Motor Vehicles	7.25	-	1.38	5.87	0.75	3.97	1.38	3.34	2.53
Ships	0.88	-	-	0.88	0.09	0.52	-	0.61	0.27
Helicopter^	9.60	-	-	9.60	0.54	3.24	-	3.78	5.82
Office equipment	5.43	0.93	-	6.36	0.71	0.47	-	1.19	5.18
<b>Total (I)</b>	<b>129.12</b>	<b>10.63</b>	<b>1.54</b>	<b>138.21</b>	<b>10.26</b>	<b>57.63</b>	<b>1.53</b>	<b>66.36</b>	<b>71.86</b>
Computer Software	15.16	0.31	-	15.47	1.21	10.79	-	12.00	3.47
Intangible assets under development	0.17	-	0.17	-	-	-	-	-	-
<b>Total (II)</b>	<b>15.33</b>	<b>0.31</b>	<b>0.17</b>	<b>15.47</b>	<b>1.21</b>	<b>10.79</b>	<b>-</b>	<b>12.00</b>	<b>3.47</b>
<b>Grand Total (I+II)</b>	<b>144.45</b>	<b>10.93</b>	<b>1.71</b>	<b>153.67</b>	<b>11.47</b>	<b>68.42</b>	<b>1.53</b>	<b>78.36</b>	<b>75.33</b>





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

as at 31 March, 2023

(Currency : Rs in crores)

### Ageing for Intangible assets under development

	Less than 1 year	1- 2 years	2- 3 years	More than 3 years	Total
as at 31 March 2023					
Projects in progress	2.72	-	-	-	2.72
as at 31 March 2022					
Projects in progress	-	-	-	-	-

### Ageing for Capital work in-progress (CWIP)

Capital work in-progress (CWIP)*	Amount in CWIP for a period of				Total
	Less than 1 year	1- 2 years	2- 3 years	More than 3 years	
as at 31 March 2023					
Projects in progress	-	-	-	-	-
as at 31 March 2022					
Projects in progress	3.46	-	-	-	3.46

### Project-wise details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan.

As at March 31, 2022	To be completed in			Total
	Less than 1 year	1 to 2 years	More than 3 years	
Projects in progress				
Project 1	2.12	-	-	2.12
Others	0.13	-	-	0.13
Total	2.25	-	-	2.25

^ During the previous year the Company had 25% share in joint ownership of Helicopter.

Refer Note 14 for the assets mortgaged as security against borrowings

Refer Note 32 (a) for the contractual capital commitments for purchase of Property, Plant & Equipment. & Intangible assets

There has been no revaluation of property, plant and equipment ("PPE") and intangibles during the year ended March 31, 2023 and March 31, 2022.

The Company holds the title deeds of all the immovable properties in its name.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued) as at 31 March, 2023

(Currency : ₹s in crores)

13 Trade payables	As at 31 March, 2023	As at 31 March, 2022 (Restated)
(i) Total outstanding dues of micro enterprises and small enterprises	1.04	4.92
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Others	98.21	562.43
Trade payables to related parties (refer note 36)	-	5.78
<b>Total trade payables</b>	<b>99.25</b>	<b>573.13</b>

### Outstanding for following periods from the due date

Trade Payable as at March 31, 2023	Not Due	Less than 6 months	6m-1 yr	1yr-2yr	2yr-3yr	3 yr and above
MSME	-	0.73	0.17	0.00	0.01	0.12
Others	-	24.61	0.97	1.66	0.20	2.13
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>25.34</b>	<b>1.14</b>	<b>1.67</b>	<b>0.20</b>	<b>2.26</b>

Accrued expenses amount to Rs. 68.64 Crores as on March 31, 2023

Trade Payable as at March 31, 2022	Not Due	Less than 6 months	6m-1 yr	1yr-2yr	2yr-3yr	3 yr and above
MSME	2.78	1.98	-	0.04	-	0.12
Others	142.37	236.99	-	-	1.62	2.74
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>145.15</b>	<b>238.97</b>	<b>-</b>	<b>0.04</b>	<b>1.62</b>	<b>2.86</b>

Accrued expenses amount to Rs. 184.48 Crores as on March 31, 2022

14 (i) Debt securities	As at 31 March, 2023	As at 31 March, 2022 (Restated)
<b>Debt securities in India</b>		
<b>Measured at amortised cost</b>		
Redeemable Non Convertible Debentures (Secured)	4,322.18	5,318.73
<b>Total debt securities</b>	<b>4,322.18</b>	<b>5,318.73</b>

### B. Rate of interest, nature of security and term of repayment in case of secured debentures

Nature of Security	Particulars	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity due date	First installment payment date
A first ranking pari-passu charge hypothecation/pledge over the identified financial assets of the company including all receivables therefrom.	Nil (previous year - 1,100) 10.25% Secured, Rated, Unlisted, Redeemable Non Convertible Debentures each having face value of Rs. 1,000,000	The NCD's are repayable in 24 months and 15 days from the date of allotment.	-	1,100.00	30-Dec-22	30-Dec-21
A first ranking pari-passu charge hypothecation/pledge over the identified financial assets of the company including all receivables therefrom.	Nil (previous year - 275) 10.25% Secured, Rated, Unlisted, Redeemable Non Convertible Debentures each having face value of Rs. 1,000,000	The NCD's are repayable in 23 months and 1 day from the date of allotment.	-	275.00	30-Dec-22	30-Dec-21
Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	50 (Previous Year : 50) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures each having face value of Rs.1,000,000	The amount of Rs 5 Crores is redeemable at par at the end of 3650 days from the date of allotment.	5.00	5.00	17-Jul-26	NA
Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	350 (Previous Year : 350) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures each having face value of Rs.1,000,000	The amount of Rs 35 Crores is redeemable at par at the end of 3652 days from the date of allotment.	35.00	35.00	14-Jul-26	NA
Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	5,000 (Previous Year : 5,000) 8.55% Secured Rated Listed Redeemable Non Convertible Debentures each having face value of Rs.1,000,000	The amount of Rs 500 Crores is redeemable at par at the end of 1093 days from the date of allotment. The interest is payable annually	500.00	500.00	19-May-23	NA
First ranking exclusive pledge over the certain shares of Piramal Pharma Limited, First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited and certain assets including PCHFL ICD and first ranking pari passu charge over the receivables, investments and other current assets of PCHFL in favour of the Debenture Trustee.	Nil (Previous Year : 19,425) 9.00% Secured Rated Unlisted Redeemable Non Convertible Debentures each having face value of Rs.1,000,000	The amount of Rs 1942.50 Crores is redeemable at par at the end of 1096 days from the date of allotment.	-	1,942.50	26-Jun-23	NA



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued) as at 31 March, 2023

(Currency : ₹ in crores)

Nature of Security	Particulars	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity due date	First installment payment date
First ranking exclusive pledge over the certain shares of Piramal Pharma Limited and First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited in favour of The Debenture Trustee. First ranking pari passu charge by way of hypothecation over inter-corporate deposits granted to PCHFL.	Nil (Previous Year : 760) 9.50% Secured Rated Unlisted Redeemable Non Convertible Debentures each having face value of Rs.1,000,000	The amount of Rs 76 Crores is redeemable at par at the end of 1,095 days from the date of allotment.	-	76.00	07-Jul-23	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	3,650 (Previous Year : 3,650) 8.25% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 365 Crores is redeemable at par at the end of 730 days from the date of allotment.	365.00	365.00	28-Jun-23	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	500 (Previous Year : 500) 8.25% Secured Rated Listed Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 50 Crores is redeemable at par at the end of 723 days from the date of allotment.	125.00	50.00	28-Jun-23	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	Nil (Previous Year : 1,020) 8.15% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 102 Crores is redeemable at par at the end of 549 days from the date of allotment.	-	102.00	12-Jan-23	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	4,000 (Previous Year : 4,000) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 400 Crores is redeemable at par at the end of 912 days from the date of allotment.	400.00	400.00	27-Mar-24	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	1,250 (Previous Year : 1,250) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 125 Crores is redeemable at par at the end of 915 days from the date of allotment.	125.00	125.00	02-Sep-24	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	1750 (Previous Year : 1750) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 175 Crores is redeemable at par at the end of 889 days from the date of allotment.	175.00	175.00	02-Sep-24	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	1000 (Previous Year : Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 100 Crores is redeemable at par at the end of 915 days from the date of allotment.	100.00	-	04-Nov-24	NA





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

as at 31 March, 2023

(Currency : ₹S in crores)

Nature of Security	Particulars	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity due date	First installment payment date
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	1000 (Previous Year : Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 100 Crores is redeemable at par at the end of 731 days from the date of allotment.	100.00	-	24-May-24	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	700 (Previous Year : Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 70 Crores is redeemable at par at the end of 679 days from the date of allotment.	70.00	-	24-May-24	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	750 (Previous Year : Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 75 Crores is redeemable at par at the end of 661 days from the date of allotment.	75.00	-	24-May-24	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	1000 (Previous Year : Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 100 Crores is redeemable at par at the end of 540 days from the date of allotment.	100.00	-	24-May-24	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	2150 (Previous Year : Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 215 Crores is redeemable at par at the end of 731 days from the date of allotment.	215.00	-	20-Sep-24	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	503 (Previous Year : Nil) - 8.10% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 50.30 Crores is redeemable at par at the end of 973 days from the date of allotment.	50.30	-	23-May-25	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	505 (Previous Year : Nil) - 8.10% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000	The amount of Rs 50.50 Crores is redeemable at par at the end of 926 days from the date of allotment.	50.50	-	23-May-25	NA
First ranking pari passu charge over standard receivables of the Company and pledge over listed shares Shriram Finance Limited and all unlisted shares of Shriram GI Holdings Pvt. Ltd, held by the Borrower (to be held on a pari passu basis along with Existing SCB Facility and Additional Borrowing).	10000 (Previous Year : Nil) - 8.50% Rated, Unlisted, Secured, Redeemable Non-Convertible Debentures each having face value of Rs.1,000,000	The amount of Rs 1000 Crores is redeemable at par at the end of 364 days from the date of allotment.	1,000.00	-	06-Nov-23	NA



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued) as at 31 March, 2023

(Currency : Rs in crores)

Nature of Security	Particulars	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity due date	First installment payment date
First ranking pari passu charge over standard receivables of the Company and pledge over listed shares of Shriram Finance Limited and all unlisted shares of Shriram GI Holdings Pvt. Ltd, held by the Borrower (to be held on a pari passu basis along with Existing SCB Facility and Additional Borrowing).	5000 (Previous Year : Nil)- 8.60% Rated, Unlisted, Secured, Redeemable Non-Convertible Debentures each having face value of Rs.1,000,000	The amount of Rs 500 Crores is redeemable at par at the end of 364 days from the date of allotment.	500.00	-	30-Jan-24	NA
First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company	10000 (Previous Year : Nil)- 8.75% Secured, Rated, Listed, Redeemable, Non-convertible Debentures each having face value of Rs.1,00,000	The amount of Rs 100 Crores is redeemable at par at the end of 1176 days from the date of allotment.	100.00	-	29-May-26	NA

### 14 (ii) Borrowings (other than debt securities)

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Borrowings in India measured at amortised cost		
Term Loans (secured)		
-From Banks	2,080.24	391.27
short term borrowings		
From others (secured)	339.53	-
Commercial papers (unsecured)	1,902.90	1,960.67
<b>Total Borrowings (other than debt securities)</b>	<b>4,322.67</b>	<b>2,351.94</b>

### B. Rate of interest, nature of security and term of repayment in case of Term loans from bank

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity due date	First installment payment date
Pari-Passu charge by way of hypothecation on the loan portfolio/receivables that are standard (arising out of lending, loans and advances and current assets/financial assets) and receivables arising out of investments (including non-convertible debenture and inter-corporate deposits but excluding investments made in the nature of equity investments or convertible instruments or investments made or loan extended by Borrower to its subsidiaries or affiliates), Cash and cash equivalents, other than Excluded Receivables.	Repayable in 12 quarterly installments starting from 30th June 2023	250.00	400.00	31-Mar-26	30-Jun-23
Pari-Passu charge by way of hypothecation on the loan portfolio/receivables that are standard and Liquid Investments (Excluding investment in Group companies), Cash and cash equivalents, other than Excluded Receivables	Repayable at the end of 2nd year from date availed .	100.00	-	30-Sep-23	NA
First pari-passu charge over standard receivables of the Borrower except Excluded Assets. SCUF shares (and post reorganization of Shriram group, Shriram Finance Ltd shares) worth Rs 175 crs (over and above Minimum Listed Cover) to be kept free of any encumbrances and to be kept in designated DP account with Kotak Securities Ltd.	Repayable at the end of 1st year from date availed .	750.00	-	30-Nov-23	NA
First ranking pari passu charge by way of hypothecation over standard Receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments); and (iii) current assets and/or financial assets; except any Receivables arising out of equity investments made, or inter corporate deposits, and all of rights, title, interest, benefits, claims and demands whatsoever of the Company and pledge over listed shares of Shriram Finance Limited.	Repayable at the end of 1 year from the date availed .	500.00	-	28-Mar-24	NA
Pari-Passu charge by way of hypothecation on the standard receivables (arising out of lending, loans and advances and current assets/financial assets) and receivables arising out of investments (including non-convertible debenture and inter-corporate deposits but excluding investments made in the nature of equity investments or investments made or loan extended by Borrower to its subsidiaries or affiliates).	Repayable in 16 quarterly equal installments starting from 31-12-2023	200.00	-	30-Sep-27	31-Dec-23
Pari-Passu charge by way of hypothecation on the standard receivables (arising out of lending, loans and advances and current assets/financial assets) and receivables arising out of investments (including non-convertible debenture and inter-corporate deposits but excluding investments made in the nature of equity investments or investments made or loan extended by Borrower to its subsidiaries or affiliates). Pari-Passu charge by way of hypothecation on the loan portfolio/receivables that are standard (arising out of lending, loans and advances and current assets/financial assets) and receivables arising out of investments (excluding inter-corporate deposits, or investments made in the nature of equity investments or convertible instruments or investments made or loan extended by Borrower to its subsidiaries or affiliates), Cash and cash equivalents, other than Excluded Receivables.	Repayable in 14 equal quarterly installments starting from 31-12-2023	250.00	-	31-Mar-27	31-Dec-23
Pari-Passu charge by way of hypothecation on the loan portfolio/receivables that are standard (arising out of lending, loans and advances and current assets/financial assets) and receivables arising out of investments (excluding inter-corporate deposits, or investments made in the nature of equity investments or convertible instruments or investments made or loan extended by Borrower to its subsidiaries or affiliates), Cash and cash equivalents, other than Excluded Receivables.	Repayable in 12 equal quarterly installments starting from 30-06-2024	50.00	-	31-Mar-27	30-Jun-24

The coupon rates for the above loans are 7.69% - 9.85% pa. (previous year (6.75% - 7.69%))





## Piramal Enterprises Limited

### Notes to the standalone financial statements (Continued)

as at 31 March, 2023

(Currency : Rs In crores)

**c. Rate of interest, nature of security and term of repayment in case of Working capital demand loan / short term borrowings from others**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity due date	First Installment payment date
Exclusive charge on Government Securities & Treasury Bills	Bullet repayment on 6th April 2023	339.53	-	06-Apr-23	NA

The coupon rates for the above loans are 7.10% - 7.50% pa. (previous year (Nil))

**d. Maturity profile of commercial paper**

**As at 31 March 2023**

Maturities	<1 year	1-3 years	>3 years	Grand Total
Rate of Interest: 7.2%-9.05%	1,902.90	-	-	1,902.90
<b>Total</b>	<b>1,902.90</b>	<b>-</b>	<b>-</b>	<b>1,902.90</b>

**As at 31 March 2022**

Maturities	<1 year	1-3 years	>3 years	Grand Total
Rate of Interest: 5.75% - 8.00%	1,960.67	-	-	1,960.67
<b>Total</b>	<b>1,960.67</b>	<b>-</b>	<b>-</b>	<b>1,960.67</b>

**14 (III) Deposits**

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Intercorporate deposit from related party (Unsecured) at amortised cost Piramal Capital & Housing Finance Limited	-	700.75
Intercorporate deposit from others (Unsecured)	70.41	-
<b>Total deposits</b>	<b>70.41</b>	<b>700.75</b>

**A. Maturity profile of deposits**

**As at 31 March 2023**

Maturities	<1 year	1-3 years	>3 years	Grand Total
Rate of Interest: 8.55%	70.41	-	-	70.41
<b>Total</b>	<b>70.41</b>	<b>-</b>	<b>-</b>	<b>70.41</b>

**As at 31 March 2022**

Maturities	<1 year	1-3 years	>3 years	Grand Total
Rate of Interest: 10.77%	-	700.75	-	700.75
<b>Total</b>	<b>-</b>	<b>700.75</b>	<b>-</b>	<b>700.75</b>

**15 Other financial liabilities**

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Payable to employees	21.02	32.79
Unclaimed Dividend	15.86	16.43
Other payable	19.53	2.83
Advances from Customers	-	2.83
Lease Liabilities	12.59	25.38
<b>Total other current financial liabilities</b>	<b>69.00</b>	<b>80.26</b>

**16 Current tax liabilities (net)**

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
<b>Current tax liability (net)</b> (net of advance tax of Rs. 269.82 Crore, 31 March 2022 Rs. 490.57 crore)	128.65	145.90
<b>Total current tax liability (net)</b>	<b>128.65</b>	<b>145.90</b>

**17 Other non-financial liabilities**

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Statutory dues payable	0.95	18.34
<b>Total other non-financial liabilities</b>	<b>0.95</b>	<b>18.34</b>

**18 Provisions**

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Provision for employee benefits Gratuity (refer Note 37)	17.47	25.74
Compensated absence	11.84	14.10
Provision For Litigations & Disputes	3.50	3.50
Others	0.12	0.27
Provision for impairment allowance on undisbursed commitments (refer note 40.3(h) and 32(a))	23.33	12.59
<b>Total provisions</b>	<b>56.26</b>	<b>56.20</b>



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

as at 31 March, 2023

(Currency : Rs in crores)

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
<b>19 Equity share capital</b>		
<b>Authorized share capital:</b>		
400,000,000 (400,000,000) equity shares of INR 2/- each	80.00	80.00
3,000,000 (3,000,000) preference shares of INR 100/- each	30.00	30.00
24,000,000 (24,000,000) preference shares of INR 10/- each	24.00	24.00
105,000,000 (105,000,000) unclassified shares of INR 2/- each	21.00	21.00
<b>Total</b>	<b>155.00</b>	<b>155.00</b>
Issued Capital		
238,688,273 (238,688,273) Equity Shares of Rs.2/- each	47.74	47.74
<b>Total</b>	<b>47.74</b>	<b>47.74</b>
<b>Subscribed and paid up capital:</b>		
238,663,700 (238,663,700) equity shares of INR 2 each	47.73	47.73
<b>Total</b>	<b>47.73</b>	<b>47.73</b>

### (i) Movement in Equity Share Capital

Particulars	31 March, 2023 No. of shares	31 March, 2023 Rs in Crores	31 March, 2022 No. of shares	31 March, 2022 Rs in Crores
	At the beginning of the year	23,86,63,700	47.73	22,55,38,356
Add: Issued during the year	-	-	1,31,25,344	2.62
Less: Shares cancelled during the year	-	-	-	-
At the end of the year	<b>23,86,63,700</b>	<b>47.73</b>	<b>23,86,63,700</b>	<b>47.73</b>

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

Name of the shareholder, promoter	31 March, 2023 No. of shares	31 March, 2023 % Holding	31 March, 2022 No. of shares	31 March, 2022 % Holding
	The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal	7,88,77,580	33.05%	7,88,77,580

### (iii) Details of shareholding of Promoters in the Company

Name of the Promoter	As at 31 March 2023		
	No. of shares	% of total shares	% change during the year
Ajay G. Piramal	1,23,296	0.05%	0.00%
Swati A Piramal	2,100	0.00%	0.00%
Anand Piramal	1,97,097	0.08%	0.00%
Nandini Piramal	45,487	0.02%	0.00%
Lalita G. Piramal	1,234	0.00%	0.00%
Peter DeYoung	1,08,000	0.05%	0.00%
Anya Piramal DeYoung	48,000	0.02%	0.00%
Master Dev Piramal Deyoung	48,000	0.02%	0.00%
Ajay G. Piramal (Karta of Ajay G Piramal HUF)	6,507	0.00%	0.00%
PRL Realtors LLP	89,73,913	3.76%	0.00%
The Ajay G Piramal Foundation	9,86,731	0.41%	0.00%
V3 Designs LLP	97,01,000	4.06%	0.00%
Anand Piramal Trust	1,39,327	0.06%	0.00%
Nandini Piramal Trust	1,22,740	0.05%	0.00%
Aasan Corporate Solutions Private Limited	20,13,875	0.84%	0.00%
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	23,85,806	1.00%	-0.01%
The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal)	7,88,77,580	33.05%	0.00%
<b>Total</b>	<b>10,37,80,693</b>	<b>43.48%</b>	<b>-0.01%</b>

Name of the Promoter	As at 31 March 2022		
	No. of shares	% of total shares	% change during the year
Ajay G. Piramal	1,23,296	0.05%	0.00%
Swati A Piramal	2,100	0.00%	0.00%
Anand Piramal	1,97,097	0.08%	-0.01%
Nandini Piramal	45,487	0.02%	0.00%
Lalita G. Piramal	1,234	0.00%	0.00%
Peter DeYoung	1,08,000	0.05%	0.00%
Anya Piramal DeYoung	48,000	0.02%	0.00%
Master Dev Piramal Deyoung	48,000	0.02%	0.00%
Ajay G. Piramal (Karta of Ajay G Piramal HUF)	6,507	0.00%	-0.01%
PRL Realtors LLP	89,73,913	3.76%	-0.22%
The Ajay G Piramal Foundation	9,86,731	0.41%	-0.03%
V3 Designs LLP	97,01,000	4.06%	-0.24%
Anand Piramal Trust	1,39,327	0.06%	0.00%
Nandini Piramal Trust	1,22,740	0.05%	0.00%
Aasan Corporate Solutions Private Limited	20,13,875	0.84%	-0.05%
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	24,05,828	1.01%	-0.09%
The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal)	7,88,77,580	33.05%	-1.92%
<b>Total</b>	<b>10,38,00,715</b>	<b>43.49%</b>	<b>-2.57%</b>



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

as at 31 March, 2023

(Currency : Rs in crores)

(iv) 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
Equity Shares of Rs.2 each allotted as fully paid-up pursuant to merger of Piramal Phytocare Limited into the Company	2019-20	3,05,865

(v) Terms and Rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed 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.

(vi) In the period of five years immediately preceding March 2023:

The company has not allotted any equity shares as bonus shares or not bought back any equity shares

(vii) Equity shares reserved for issue under ESOP Scheme - 7,70,022 Equity shares

### 20 Other equity

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
Capital Reserve (refer note 20.1)	2,747.13	2,747.13
Security premium (refer note 20.2)	11,427.97	11,427.97
Capital Redemption Reserve (refer note 20.3)	61.73	61.73
Debenture Redemption Reserve (refer note 20.4)	-	2.00
General reserve (refer note 20.5)	5,798.55	5,798.55
FVTOCI - Equity Instruments (refer note 20.6)	(250.27)	93.82
Statutory reserve fund (refer note 20.7)	709.95	225.68
Employee stock options reserve (refer note 20.8)	0.02	-
Retained earnings (refer note 20.9)	3,491.65	3,680.91
<b>Total other equity</b>	<b>23,986.73</b>	<b>24,037.79</b>

#### 20.1 Capital Reserve

Opening balance	2,747.13	2,826.50
Addition/reduction during the year	-	(79.37)
<b>Closing balance</b>	<b>2,747.13</b>	<b>2,747.13</b>

This reserve is outcome of business combinations carried out during the current year and previous years

#### 20.2 Security premium

Opening balance	11,427.97	9,703.57
Add: Issue and conversion of Compulsorily Convertible Debentures -Equity Component	-	1,525.03
Add: Rights Issue of Equity shares	-	199.37
<b>Closing balance</b>	<b>11,427.97</b>	<b>11,427.97</b>

Security premium is used to record the premium received on issue of shares. It can be utilised in accordance with the provisions of the Companies Act, 2013.

#### 20.3 Capital Redemption Reserve

Opening balance	61.73	61.73
Addition during the year	-	-
<b>Closing balance</b>	<b>61.73</b>	<b>61.73</b>

This reserve was created as per requirements of Companies Act pursuant to buyback of equity shares and redemption of preference shares.

#### 20.4 Debenture Redemption Reserve

Opening balance	2.00	4.16
Transfer during the year	(2.00)	(2.16)
<b>Closing balance</b>	<b>-</b>	<b>2.00</b>

The Debenture redemption reserve is created as per the requirements of Rule18(7) of the Companies (Share Capital and Debentures) Rules, 2014.

#### 20.5 General reserve

Opening balance	5,798.55	5,798.55
Addition / (reduction) during the year	-	-
<b>Closing balance</b>	<b>5,798.55</b>	<b>5,798.55</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

#### 20.6 FVTOCI - Equity & Debt Instruments

Opening balance	93.82	65.51
Addition during the year	144.20	28.31
Transfer to Retained Earnings	(488.29)	-
<b>Closing balance</b>	<b>(250.27)</b>	<b>93.82</b>

The Company has elected to recognise changes in the fair value of certain investments in equity securities in Other Comprehensive Income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

as at 31 March, 2023

(Currency : Rs in crores)

	As at 31 March, 2023	As at 31 March, 2022 (Restated)
<b>20.7 Statutory reserve fund</b>		
<b>Reserve Fund u/s 45-IC (1) of RBI Act, 1934</b>		
Opening balance	225.68	140.68
Addition during the year	484.27	85.00
<b>Closing balance</b>	<b>709.95</b>	<b>225.68</b>
Reserve Fund is required to be maintained u/s 45-IC(1) of the Reserve Bank of India Act, 1934 for Non Banking Financial Companies. During the year ended March 31, 2023, the company has transferred an amount of Rs. 484.27 crores (31 March 2022 Rs. 85 crores), being 20% of profit after tax computed in accordance with IND AS.		
<b>20.8 Employee stock options Reserve</b>		
Opening balance	-	-
Addition during the year	0.02	-
<b>Closing balance</b>	<b>0.02</b>	<b>-</b>
The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company in pursuance of the Employee Stock Option Plan.		
<b>20.9 Retained earnings</b>		
Opening balance	3,680.91	3,553.61
Add: Net profit for the year	14,333.30	997.68
Less: Payable to Shareholders (refer note 43)	(13,742.31)	-
Less: Realised income/ (loss) on FVOCI Instruments	488.29	-
Add : Remeasurement of the defined benefit liability/(asset) / others	1.32	0.05
Less : Transfer from/ (to) Debenture Redemption Reserve	2.00	2.16
Less: Final Dividend paid	(787.59)	(787.59)
Less: Transfer to statutory reserve fund	(484.27)	(85.00)
<b>Closing balance</b>	<b>3,491.65</b>	<b>3,680.91</b>
Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividends paid to investors and can be distributed by the Company as dividends to its equity shareholders is determined based on the standalone financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.		
On May 05, 2023, a Dividend of Rs. 31 per equity share (Face value of Rs.2/- each) amounting to Rs. 739.86 Crores was recommended by the Board of Directors which is subject to shareholders approval.		
On May 26, 2022, a Dividend of Rs. 33 per equity share (Face value of Rs. 2/- each) amounting to Rs. 787.59 Crores was recommended by the Board of Directors which was approved by the Shareholders in annual general meeting held on July 29, 2022.		



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 21 Revenue from operations

	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
(i) Interest income		
Interest income measured at amortised cost:		
- on investments	228.15	726.76
- on loans and advances	1,131.17	1,094.38
Interest income- on investments measured at FVTPL	345.44	82.47
Interest income- on investments measured at FVOCI	14.64	-
Interest income on fixed deposits	17.07	6.44
<b>Total interest income</b>	<b>1,736.47</b>	<b>1,910.05</b>
(ii) Dividend Income		
Dividend income from mutual fund units	-	77.65
Dividend income from equity investment	140.34	282.73
<b>Total dividend income</b>	<b>140.34</b>	<b>360.38</b>
(iii) Fee and commission Income		
- processing / arranger fees	5.62	13.59
- guarantee commission	4.21	10.35
<b>Total fee and commission Income</b>	<b>9.83</b>	<b>23.94</b>
Processing fees is earned in India and recognised at a point in time. Guarantee Commission is earned outside India and recognised over time.		
(iv) Net gain on fair value changes		
Income on investments measured at FVTPL		
Unrealised	(105.13)	145.59
Realised	146.27	278.58
<b>Total gain on fair value changes</b>	<b>41.14</b>	<b>424.17</b>
(v) Other operating income (refer note 6.1)	2,857.44	-
<b>Total other income</b>	<b>2,857.44</b>	<b>-</b>
<b>Total Revenue from operations</b>	<b>4,785.22</b>	<b>2,718.54</b>

### 22 Other income

	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
Other non-operating income	40.86	77.00
Foreign exchange gain (Net)	1.85	24.68
Interest income On income tax refund	9.20	-
<b>Total other income</b>	<b>51.91</b>	<b>101.68</b>

### 23 Finance costs

	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
Interest expense measured at amortised cost		
Interest on deposits	50.28	842.83
Interest on borrowings	217.60	15.93
Interest on debt securities	441.73	382.96
Other Interest expense	2.16	1.65
<b>Total finance costs</b>	<b>711.77</b>	<b>1,243.37</b>

### 24 Fees and commission expense

	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
Fees and commission expense	18.09	40.09
<b>Total fees and commission expense</b>	<b>18.09</b>	<b>40.09</b>





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 25 Net loss on derecognition of financial instruments-under amortised cost category

	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
Loss on derecognition of financial assets	1,371.31	-
	<b>1,371.31</b>	-

Loss of derecognition of financial assets consists of loss arising from sale of loans and advances as well as technical written off arising on the Company having no reasonable expectations of recovering the financial asset. The Company may apply enforcement activities to financial assets written off.

### 26 Impairment on financial instruments (expected credit loss allowance)

	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
Measured at amortised cost		
Loans	102.33	59.66
Investments	(109.65)	(21.22)
Others including undisbursed commitment	10.74	(7.01)
<b>Total impairment on financial instruments</b>	<b>3.42</b>	<b>31.43</b>

During the year, pursuant to review by the Risk Management Committee, the Company's Expected Credit Loss (ECL) provisioning model and certain assumptions with respect to wholesale lending business have undergone a change, resulting in significant increase in the ECL provision. Further, considering current economic environment, additional management overlay Rs. 94.43 crores has been recognised.

### 27 Employee benefits expense

	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
Salaries and wages*	73.23	120.61
Contribution to provident and other fund	3.42	6.52
Staff welfare expenses	5.52	5.29
Provision for Gratuity (refer note 37)	1.69	3.44
<b>Total employee benefits expense</b>	<b>83.86</b>	<b>135.86</b>

\* Includes employee share based payment of Rs. 0.02 Crores

### 28 Other expenses

	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
Corporate social responsibility expenses (refer note 44)	20.00	17.23
Contribution to electoral trust	25.00	-
Rent	6.72	3.94
Rates and taxes, excluding taxes on income	0.81	14.93
Travelling and conveyance	4.18	1.19
Director's commission	3.17	2.40
Director's sitting fees	0.92	0.82
Legal and professional fees	72.89	72.96
Royalty	11.89	21.45
Electricity expense	0.45	1.02
Repairs and maintenance - others	4.49	3.62
Repairs and maintenance - building	0.40	2.93
Business promotion and advertisement expenses	5.01	1.56
Postage and communication	1.92	2.13
Printing and stationery	1.01	0.17
Loss on sale / Provision of subsidiary	52.20	-
Membership & subscription charges	2.37	0.04
Insurance charges	2.25	2.34
Other expenses	9.13	6.94
<b>Payments to auditors</b>		
- as auditor*	1.45	3.93
- for certification and other services	0.72	0.32
- Reimbursement of Out of pocket Expenses	0.03	-
<b>Total other expenses</b>	<b>227.00</b>	<b>159.91</b>

\* Include payment made to previous Auditors



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

**29 Exceptional Items (net of tax)**  
(refer note 42)

Gain on demerger  
Incidental Cost  
**Total exceptional item (net of tax)**

**For the year ended  
31 March, 2023**

For the year ended  
31 March, 2022  
(Restated)

12,219.68	-
(307.46)	(10.20)
<b>11,912.22</b>	<b>(10.20)</b>



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

as at 31 March, 2023

(Currency : Rs in crores)

### 30 Income Taxes

	Year ended 31 March, 2023	Year ended 31 March, 2022 (Restated)
<b>a. Recognised in Standalone Statement of Profit and Loss</b>		
<b>Current Tax</b>		
In respect of the current year	-	175.51
<b>Deferred Tax charge / (credit)</b>		
In respect of the current year *	(112.77)	41.55
<b>Total income taxes</b>	<b>(112.77)</b>	<b>217.06</b>
* includes Rs. 90.37 crores on exceptional items in FY 23		
<b>Total tax expense attributable to</b>		
from continuing operations	(112.77)	213.03
from discontinuing operations	-	4.03

### b. The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended 31 March, 2023	Year ended 31 March, 2022	Effective tax rate reconciliation	
			Year ended 31 March, 2023	Year ended 31 March, 2022
Profit before tax*	2,000.68	1,224.94		
Income tax expense calculated at 25.17% (Previous year at 25.17%)	503.57	308.32	25.17%	25.17%
<u>Tax effect of disallowance:</u>				
Effect of expenses that are not deductible in determining taxable profit	13.24	7.45	0.66%	0.61%
Effect of deduction in tax for interest on Compulsorily Convertible Debentures	-	(7.99)	0.00%	-0.65%
Effect of capital gains on sale of investments in shares of subsidiaries	(660.02)	(6.00)	-32.99%	-0.49%
Effect of deduction from dividend income	-	(96.06)		(7.84)%
Effect of EIR and unamortised expenses	23.68	0.86	1.18%	0.07%
Effect of ETR	-	-	0.00%	0.00%
Others	6.76	10.47	0.34%	0.85%
<b>Income tax expense recognised in profit or loss</b>	<b>(112.77)</b>	<b>217.06</b>	<b>-5.64%</b>	<b>17.72%</b>
<b>Effective tax rate</b>	<b>-5.64%</b>	<b>17.72%</b>		

\*Including exceptional item of Rs. 397.83 Crores in FY 23 and Including Discounting operations in FY 22

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the year 2022-23 and 2021-22

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 31 Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share'

The computation of earnings per share is set out below:

Description	For the year ended 31 March, 2023	For the year ended 31 March, 2022 (Restated)
Net profit from continuing operation attributable to equity shareholders (A)	14,333.30	964.20
Net profit from discontinued operation attributable to equity shareholders (B)	-	33.48
Weighted average number of equity shares outstanding during the year for calculation of EPS (C)	23,86,63,700	23,82,93,390
<b>Basic EPS of face value of Rs. 2 from continuing operation (A/C)</b>	<b>600.56</b>	<b>40.46</b>
<b>Basic EPS of face value of Rs. 2 from discontinued operation (B/C)</b>	<b>-</b>	<b>1.41</b>
Effect of dilution: Employee stock option	7,67,601	-
Effect of dilution: right shares reserved for CCD holders and right shares held in abeyance	24,573	8,93,013
Weighted average number of equity shares outstanding during the year for calculation of EPS (D)	23,94,55,874	23,91,86,403
<b>Diluted EPS of face value of Rs. 2 continuing operation (A/D)</b>	<b>598.58</b>	<b>40.31</b>
<b>Diluted EPS of face value of Rs. 2 discontinued operation (B/D)</b>	<b>-</b>	<b>1.40</b>
<b>Basic EPS of face value of Rs. 2 from continuing &amp; discontinued operation [(A+B)/C]</b>	<b>600.56</b>	<b>41.87</b>
<b>Diluted EPS of face value of Rs. 2 continuing &amp; discontinued operation [(A+B)/D]</b>	<b>598.58</b>	<b>41.71</b>

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

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022 (Restated)
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.04	4.92
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.19	0.30
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	4.62	36.67
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.16	0.31
(g) The amount of interest accrued and remaining unpaid at the end of accounting year	-	0.45
(h) Further interest remaining due and payable for earlier years	-	9.65

### 32 (a) Contingent liabilities and Commitments

Particulars	31 March, 2023	31 March, 2022
<b>A. Contingent Liabilities :</b>		
<b>1. Claim against the Company not acknowledged as debt</b>		
Vide Demand dated June 5, 1984, the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 which is not accepted by the Company. The Company has been legally advised that the demand is untenable.	Nil	0.61
<b>2. Others</b>		
i. Appeal filed in respect of disputed demands		
Income Tax		
-where the Company is in appeal	324.20	333.86
-where the department is in appeal	321.05	369.29
Sales Tax	9.73	14.86
Central / State Exercise / Service Tax / Customs	54.93	62.11
Stamp Duty	9.37	9.37
Legal Case	3.23	3.88
<b>B. Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	207.01	0.30
(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	Nil	1.14
(c) Undisbursed loan commitments	1,055.15	410.61



The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At year end the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts.

The Company has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

### 33 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.

# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 34 Investment Property

Investment property, recorded at a carrying value of Rs. 1,335.31 crores, consists of land development rights, without any restriction on its realisability and is being held for capital appreciation and eventual monetization by exploring various options.

In accordance with Ind AS 113, the fair value of investment property is determined by the Company at Rs. 1,471 crores (Previous Year: Rs. 1,734 crores) following the risk-adjusted discounted cash flow method and based on Level 3 inputs from an independent valuation expert, as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair valuation is based on current real estate prices in the active market for similar properties. The main inputs used are area, location, construction cost, demand, weighted-average cost of capital and trend of real estate market at the location.

### 35 Lease disclosure as Lessee

The Company has office premises on lease basis. The lease period range from 3 years to 5 years. Details for the lease as lessee are as under:

#### i. Right-of-use assets

Right-of-use assets related to lease properties that do not meet definition of investment property are presented as Property, plant and equipment

Category of Asset	Opening as on April 1, 2022	Addition during 2022-23	Deduction/Transfer during 2022-23	Depreciation for 2022-23	Closing as on March 31, 2023
Buildings	21.78	2.71	3.93	9.68	10.88
Leasehold Land	0.07	-	0.07	-	-
Storage unit	-	-	-	-	-
Guest House	0.31	-	0.31	-	-
IT Assets	1.09	-	1.09	-	-
<b>Total</b>	<b>23.25</b>	<b>2.71</b>	<b>5.40</b>	<b>9.68</b>	<b>10.88</b>

Category of Asset	Opening as on April 1, 2021	Addition during 2021-22	Deduction/Transfer during 2021-22	Depreciation for 2021-22	Closing as on March 31, 2022
Buildings	27.17	18.62	10.14	13.87	21.78
Leasehold Land	0.54	-	0.47	-	0.07
Storage unit	0.08	-	0.08	-	-
Guest House	0.54	-	-	0.23	0.31
IT Assets	3.92	-	-	2.83	1.09
<b>Total</b>	<b>32.25</b>	<b>18.62</b>	<b>10.69</b>	<b>16.93</b>	<b>23.25</b>

#### ii. Amount recognised in statement of profit and loss - Lease under Ind AS - 116

	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest on lease liabilities	1.97	2.97
Expenses Related to short-term leases	1.65	0.51
Expenses related to leases	-	3.28

#### iii. Amount recognised in standalone statement of cash flow

	2023	2022
Total Cashflow for lease	20.51	19.82

#### iv. Contractual maturities of lease liabilities on an undiscounted basis

	Year ended 31 March, 2023	Year ended 31 March, 2022
1 year	5.30	8.56
2 year	7.79	3.68
3 year	2.04	1.86
More than 5 years	-	-





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

36

### Related Party Disclosures

#### 1. List of related parties

##### A. Promoter group Companies

- The Ajay G. Piramal Foundation @
- Piramal Phycocare Limited Senior-Employees Option Trust @
- The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal @
- Aasaan Corporate Solutions Private Limited \*
- Piramal Welfare Trust through its Trustee, Piramal Corporate Services Limited @
- PRL Realtors LLP @
- Anand Piramal Trust@
- Nandini Piramal Trust@
- V3 Designs LLP @

\* Aasaan Info Solutions (India) Private Limited got merged into Aasaan Corporate Solutions Private Limited on 21 Jan 2022

@There are no transactions during the year.

##### B. Subsidiaries -

The Company's subsidiaries at 31 March 2023 are set out below.

Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

The Subsidiary companies including step down subsidiaries :

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the Company		Principal Activity
			% voting power held as at March 31, 2023	% voting power held as at March 31, 2023	
1	Piramal International	Mauritius	100.00%	0.00%	Others
2	Piramal Holdings (Suisse) SA (up to 9 December 2022)	Switzerland	100.00%	0.00%	Others
3	Piramal Dutch IM Holdco B.V	Netherlands	100.00%	0.00%	Others
4	Piramal Capital and Housing Finance Limited	India	100.00%	0.00%	Financial Services
5	DHFL Investments Limited (w.e.f. September 30, 2021) #	India	100.00%	0.00%	Financial Services
6	DHFL Advisory & Investments Private Limited (w.e.f. September 30, 2021) #	India	100.00%	0.00%	Financial Services
7	DHFL Holdings Limited (w.e.f. September 30, 2021) #	India	100.00%	0.00%	Financial Services
8	PRL Agastya Private Limited (w.e.f. 29 April 2022) #	India	100.00%	0.00%	Leasing of Properties
9	Piramal Fund Management Private Limited	India	100.00%	0.00%	Financial Services
10	Piramal Alternatives Private Limited	India	100.00%	0.00%	Financial Services
11	Piramal Investment Advisory Services Private Limited	India	100.00%	0.00%	Financial Services
12	Piramal Investment Opportunities Fund	India	100.00%	0.00%	Financial Services
13	INDIAREIT Investment Management Co. \$\$	India	100.00%	0.00%	Financial Services
14	Piramal Asset Management Private Limited \$\$	Mauritius	100.00%	0.00%	Financial Services
15	Piramal Securities Limited	Singapore	100.00%	0.00%	Financial Services
16	Piramal Systems & Technologies Private Limited	India	100.00%	0.00%	Financial Services
17	Piramal Technologies SA @	Switzerland	100.00%	0.00%	Others
18	PEL Finhold Private Limited	India	100.00%	0.00%	Others
19	Piramal Consumer Products Private Limited	India	100.00%	0.00%	Others
20	Piramal Finance Sales & Services Private Limited #	India	100.00%	0.00%	Financial Services
21	Piramal Payment Services Limited (w.e.f. 29 April 2022) #	India	100.00%	0.00%	Financial Services
22	Piramal Alternatives Trust	India	100.00%	0.00%	Manpower Services
23	Viridis Power Investment Managers Private Limited *	India	100.00%	0.00%	Financial Services
24	Viridis Infrastructure Investment Managers Private Limited	India	100.00%	0.00%	Others

Others denotes investment in subsidiaries / other business activities

\* Liquidated

@ held through Piramal Systems & Technologies Private Limited

\$ merged into Piramal Dutch IM Holdco B.V.

\$\$ held through Piramal Fund Management Private Limited

# held through Piramal Capital & Housing Finance Limited

The Company's subsidiaries at 31 March 2022 are set out below.

Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company.

The country of incorporation or registration is also their principal place of business.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

Sr. No.	Name of the Company	Principal place of business / Country of Incorporation	Ownership interest held by the Company % voting power held as at 31 March 2022	Ownership interest held by non-controlling interests % voting power held as at 31 March 2022	Principal Activity
1	PHL Fininvest Private Limited &	India	100.00%	0.00%	Financial Services
2	Piramal International	Mauritius	100.00%	0.00%	Others
3	Piramal Holdings (Suisse) SA	Switzerland	100.00%	0.00%	Others
4	Piramal Critical Care Italia, S.P.A.** &	Italy	79.88%	20.12%	Pharmaceutical manufacturing and services
5	Piramal Critical Care Deutschland GmbH** &	Germany	79.88%	20.12%	Pharmaceutical manufacturing and services
6	Piramal Critical Care Limited ** &	U.K.	79.88%	20.12%	Pharmaceutical manufacturing and services
7	Piramal Healthcare (Canada) Limited ** &	Canada	79.88%	20.12%	Pharmaceutical manufacturing and services
8	Piramal Critical Care B.V. ** &	Netherlands	79.88%	20.12%	Pharmaceutical manufacturing and services
9	Piramal Pharma Solutions B.V. ** &	Netherlands	79.88%	20.12%	Pharmaceutical manufacturing and services
10	Piramal Critical Care Pty. Ltd. ** &	Australia	79.88%	20.12%	Pharmaceutical manufacturing and services
11	Piramal Healthcare UK Limited ** &	U.K.	79.88%	20.12%	Pharmaceutical manufacturing and services
12	Piramal Healthcare Pension Trustees Limited** &	U.K.	79.88%	20.12%	Pharmaceutical manufacturing and services
13	Piramal Critical Care South Africa (Pty) Ltd ** &	South Africa	79.88%	20.12%	Pharmaceutical manufacturing and services
14	Piramal Dutch Holdings N.V. @& &	Netherlands	79.88%	20.12%	Pharmaceutical manufacturing and services
15	Piramal Healthcare Inc. ** &	U.S.A	79.88%	20.12%	Others
16	Piramal Critical Care, Inc. ** &	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
17	Piramal Pharma Inc.** &	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
18	Piramal Pharma Solutions Inc. ** &	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
19	PEL Pharma Inc. ** &	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
20	Ash Stevens LLC ** &	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
21	Piramal Dutch IM Holdco B.V.	Netherlands	100.00%	0.00%	Others
22	PEL-DRG Dutch Holdco B.V. \$	Netherlands	100.00%	0.00%	Others
23	Piramal Capital and Housing Finance Limited	India	100.00%	0.00%	Financial Services
24	DHFL Investments Limited# (w.e.f. 30 September 2021)	India	100.00%	0.00%	Financial Services
25	DHFL Advisory & Investments Private Limited# (w.e.f. 30 September 2021)	India	100.00%	0.00%	Financial Services
26	DHFL Holdings Limited# (w.e.f. 30 September 2021)	India	100.00%	0.00%	Financial Services
27	Piramal Fund Management Private Limited	India	100.00%	0.00%	Financial Services
28	Piramal Alternatives Private Limited	India	100.00%	0.00%	Financial Services
29	Piramal Investment Advisory Services Private Limited	India	100.00%	0.00%	Financial Services
30	Piramal Investment Opportunities Fund	India	100.00%	0.00%	Financial Services
31	INDIAREIT Investment Management Co. \$\$	India	100.00%	0.00%	Financial Services
32	Piramal Asset Management Private Limited \$\$	Mauritius	100.00%	0.00%	Financial Services
33	Piramal Capital International Private Limited \$\$ (up to 27 April 2021)	Singapore	100.00%	0.00%	Financial Services
34	Piramal Securities Limited	Mauritius	100.00%	0.00%	Financial Services
35	Piramal Systems & Technologies Private Limited	India	100.00%	0.00%	Others
36	Piramal Technologies SA @	India	100.00%	0.00%	Others
37	PEL Finhold Private Limited	Switzerland	100.00%	0.00%	Others
38	Piramal Consumer Products Private Limited	India	100.00%	0.00%	Pharmaceutical manufacturing and services
39	Piramal Pharma Limited (w.e.f. 4 March 2020) ^ &	India	100.00%	0.00%	Pharmaceutical manufacturing and services
40	PEL Healthcare LLC (w.e.f. 26 June, 2020)** &	India	79.88%	20.12%	Pharmaceutical manufacturing and services
41	Piramal Finance Sales & Services Private Limited (w.e.f. 9 September 2020)***	U.S.A	100.00%	0.00%	Financial Services
42	Virdis Power Investment Managers Private Limited (w.e.f. 17 October 2020)	India	100.00%	0.00%	Financial Services
43	Virdis Infrastructure Investment Managers Private Ltd. (w.e.f. 22 October 2020)	India	100.00%	0.00%	Financial Services
44	Convergence Chemicals Private Limited (subsidiary w.e.f. from 24 February 2021 and joint venture up to 23 February 2021.)@& &	India	79.88%	20.12%	Pharmaceutical manufacturing and services
45	Hemmo Pharmaceuticals Private Limited (w.e.f. June 22, 2021.)@& &	India	79.88%	20.12%	Pharmaceutical manufacturing and services
46	Piramal Pharma Japan GK (w.e.f. November 05, 2021.)** &	India	79.88%	20.12%	Pharmaceutical manufacturing and services

Others denotes investment in subsidiaries / other business activities

\*\* held through Piramal Dutch Holdings N.V.

@ held through Piramal Dutch Holdings N.V.

\$ merged into Piramal Dutch IM Holdco B.V.

\$\$ held through Piramal Fund Management Private Limited

\*\*\* held through PHL Fininvest Private Limited

@ held through Piramal Pharma Limited

# held through Piramal Capital & Housing Finance Limited

& up to 31 March 2022 (refer note 42). To be considered as other related party w.e.f. 1 April 2022 onwards.



## Piramal Enterprises Limited

### Notes to the standalone financial statements (Continued)

#### C. Other related parties\*

Assan Corporate Solutions Private Limited  
 Gopikrishna Piramal Memorial Hospital (GPMH)  
 Piramal Corporate Services Limited  
 PRL Developers Private Limited  
 Piramal Trusteeship Services Private Limited  
 Glider Buildcon Realtors Private Limited  
 Piramal Pharma Limited  
 PEL Pharma Inc.  
 Piramal Dutch Holdings N.V.  
 Piramal Foundation#  
 Piramal Foundation for Education Leadership#  
 Piramal Critical Care Limited

\*where there are transactions during the current or previous year  
 # Consider as related party under scale based regulation in FY 23

#### Employee Benefit Trusts

Staff Provident Fund of Piramal Healthcare Limited (PPFT)

#### D. Associates and Joint Ventures

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2023	% voting power held as at March 31, 2022	Relationship as at March 31, 2023	Relationship as at March 31, 2022
Shirilekha Business Consultancy Private Limited (up to 9 November 2022)	India	#N/A	#N/A	N.A.	Joint Venture
Shriram Capital Limited (mainly through Shirilekha Business Consultancy Private Limited) (up to 9 November 2022)	India	#N/A	#N/A	N.A.	Associate
Allergan India Private Limited (other related party w.e.f 1 April 2022)	India	0.00%	39.20%	Other related party	Associate
India Resurgence ARC Private Limited (Formerly known as Piramal Assets Reconstruction Private Limited)	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited)	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence Fund - Scheme - 2	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence ARC Trust 1 (Investment redeemed on 14 Oct 2021)	India	0.00%	0.00%	N.A.	N.A.
Piramal Ivanhoe Residential Equity Fund 1 (Investment redeemed w.e.f. 27 December 2021)	India	0.00%	0.00%	N.A.	N.A.
Asset Resurgence Mauritius Manager	Mauritius	50.00%	50.00%	Joint Venture	Joint Venture
Yapan Bio Private Limited (w.e.f. 20th December 2021 and other related party w.e.f 1 April 2022)	India	0.00%	22.30%	Joint Venture	Associate
Piramal Structured Credit Opportunities Fund	India	25.00%	25.00%	Other related party	Joint Venture
Shriram GI Holdings Private Limited (w.e.f 9 November 2022)	India	20.00%	20.00%	Joint Venture	Joint Venture
Shriram LI Holdings Private Limited (w.e.f 9 November 2022)	India	20.00%	20.00%	Associates	N.A.
Shriram Investment Holdings Limited (w.e.f 9 November 2022)	India	20.00%	0.00%	Associates	N.A.
DHFL Ventures Trustee Company Private Limited	India	45.00%	45.00%	Associates	N.A.
Prameriga Life Insurance Limited	India	50.00%	50.00%	Joint Venture	Joint Venture

#### E. Other Intermediaries:

Shriram City Union Finance Limited (up to 9 November 2022)

#### F. Key Management Personnel

Mr. Ajay G. Piramal - Chairman and Executive Director  
 Dr. (Mrs.) Sivati A. Piramal - Vice Chairman and Executive Director  
 Ms. Nandini Piramal - Non Executive Director (up to 26 August 2022)  
 Mr. Anand Piramal - Executive Director  
 Mr. Khushru Jijina - Executive Director (w.e.f. 1 April, 2021 and up to 31 August 2022)  
 Ms. Upma Goel - Chief Financial Officer (w.e.f 18 August 2022)  
 Mr. Vivek Valsaraj - Chief Financial Officer (up to 18 August 2022)  
 Mr. Bipin Singh - Company Secretary

#### G. Relatives of Key Management Personnel

Mr. Peter De Young [Husband of Ms. Nandini Piramal] (up to 26 August 2022)

#### H. Non Executive/Independent Directors

Mr. Gautam Banerjee (Resigned w.e.f. 31 March 2022)  
 Mr. N. Vaghul (up to 9 November 2022)  
 Mr. S. Ramadorai  
 Mr. Deepak Satwalekar (up to 26 July 2021)  
 Mr. Kunal Bahl  
 Mr. Suhail Nathani  
 Ms. Anjali Bansal  
 Mr. Puneet Dalmia (appointed w.e.f. 7 October 2021)  
 Ms. Anita George (appointed w.e.f. 10 February 2022)  
 Ms. Shikha Sharma (appointed w.e.f. 31 March 2022)  
 Mr. Rajiv Mehriishi (w.e.f. 26 May 2022)  
 Mr. Gautam Doshi (w.e.f. 31 October 2022)





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

(Currency : Rs in crores)

### 2. Details of transactions with related parties.

Details of Transactions	Subsidiaries		Joint Ventures		Associates & its subsidiaries		Other Related Parties (including Promoter group entities)		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Purchase of Goods</b>										
- Piramal Pharma Limited	-	925.96	-	-	-	-	31.63	-	31.63	925.96
<b>TOTAL</b>	-	<b>925.96</b>	-	-	-	-	<b>31.63</b>	-	<b>31.63</b>	<b>925.96</b>
<b>Rendering of Services</b>										
- Piramal Pharma Limited	-	56.87	-	-	-	-	56.58	-	56.58	56.87
- Piramal Foundation	-	-	-	-	-	-	0.05	-	0.05	-
<b>TOTAL</b>	-	<b>56.87</b>	-	-	-	-	<b>56.63</b>	-	<b>56.63</b>	<b>56.87</b>
<b>Guarantee commission income</b>										
- Piramal Dutch Holdings N.V.	-	2.61	-	-	-	-	1.31	-	1.31	2.61
- PEL Pharma Inc.	-	1.49	-	-	-	-	0.75	-	0.75	1.49
- Piramal Critical Care Limited	-	4.34	-	-	-	-	2.15	-	2.15	4.34
- Convergence Chemicals Private Limited	-	0.03	-	-	-	-	-	-	-	0.03
<b>TOTAL</b>	-	<b>8.48</b>	-	-	-	-	<b>4.21</b>	-	<b>4.21</b>	<b>8.48</b>
<b>Donation Given</b>										
- Piramal Foundation for Education Leadership	-	-	-	-	-	-	11.00	-	11.00	-
- Piramal Foundation	-	-	-	-	-	-	3.00	-	3.00	-
<b>TOTAL</b>	-	-	-	-	-	-	<b>14.00</b>	-	<b>14.00</b>	-
<b>Royalty Expense</b>										
- Piramal Corporate Services Limited	-	-	-	-	-	-	11.89	24.21	11.89	24.21
<b>TOTAL</b>	-	-	-	-	-	-	<b>11.89</b>	<b>24.21</b>	<b>11.89</b>	<b>24.21</b>
<b>Rent Expense</b>										
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	9.67	11.04	9.67	11.04
- Gopikrishna Piramal Memorial Hospital	-	-	-	-	-	-	0.26	0.84	0.26	0.84
- Piramal Capital and Housing Finance Limited	0.86	0.78	-	-	-	-	-	-	0.86	0.78
- Piramal Pharma Limited	-	3.12	-	-	-	-	3.73	-	3.73	3.12
<b>TOTAL</b>	<b>0.86</b>	<b>3.90</b>	-	-	-	-	<b>13.66</b>	<b>11.88</b>	<b>14.52</b>	<b>15.78</b>
<b>Reimbursement of expenses recovered</b>										
- Piramal Critical Care Inc	-	0.63	-	-	-	-	-	-	-	0.63
- Piramal Healthcare UK Limited	-	0.45	-	-	-	-	-	-	-	0.45
- Piramal Capital and Housing Finance Limited	0.94	0.56	-	-	-	-	-	-	0.94	0.56
- Piramal Healthcare, Canada	-	0.13	-	-	-	-	-	-	-	0.13
- Piramal Pharma Limited	-	81.03	-	-	-	-	-	-	-	81.03
- Piramal Consumer Products Private Limited	0.09	0.07	-	-	-	-	-	-	0.09	0.07
- Piramal Critical Care UK Limited	-	0.13	-	-	-	-	-	-	-	0.13
- Convergence Chemicals Private Limited	-	0.01	-	-	-	-	-	-	-	0.01
- Piramal Fund Management Private Limited	-	0.05	-	-	-	-	-	-	-	0.05
- Piramal Pharma Solutions B.V	-	0.10	-	-	-	-	-	-	-	0.10
- Piramal Healthcare LLC	-	0.07	-	-	-	-	-	-	-	0.07
- Hemmo Pharmaceuticals Private Limited	-	0.08	-	-	-	-	-	-	-	0.08
- PEL Finhold Private Limited	0.02	-	-	-	-	-	-	-	0.02	-
- Piramal Alternatives Private Limited	0.02	-	-	-	-	-	-	-	0.02	-
- Piramal Systems & Technologies Private Limited	0.01	-	-	-	-	-	-	-	0.01	-
- Others	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1.08</b>	<b>83.32</b>	-	-	-	-	-	-	<b>1.08</b>	<b>83.32</b>



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

(Currency : Rs in crores)

### 2. Details of transactions with related parties.

Details of Transactions	Subsidiaries		Joint Ventures		Associates & its subsidiaries		Other Related Parties (including Promoter group entities)		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rs. in Crores)									
<b>Reimbursement of expenses paid</b>										
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	0.40	0.43	0.40	0.43
- Gopikrishna Piramal Memorial	-	-	-	-	-	-	-	0.03	-	0.03
- Piramal Capital & Housing Finance Limited	-	0.25	-	-	-	-	-	-	-	0.25
- Piramal Trusteeship Services Private Limited	-	-	-	-	-	-	0.03	-	0.03	-
- PEL Finhold Private Limited	3.54	-	-	-	-	-	-	3.54	3.54	-
<b>TOTAL</b>	<b>3.54</b>	<b>0.25</b>	-	-	-	-	<b>0.43</b>	<b>0.46</b>	<b>3.97</b>	<b>0.71</b>
<b>Contribution to Funds</b>										
- Staff Provident Fund of Piramal Healthcare Limited	-	-	-	-	-	-	10.69	9.47	10.69	9.47
<b>TOTAL</b>	-	-	-	-	-	-	<b>10.69</b>	<b>9.47</b>	<b>10.69</b>	<b>9.47</b>
<b>Dividend Income/Distribution</b>										
- Piramal Pharma Limited	-	39.94	-	-	-	-	-	-	-	39.94
- Piramal Dutch IM Holdco B.V.	45.62	242.00	-	-	-	-	-	-	45.62	242.00
- Shriekha Business Consultancy Private Limited	-	-	-	-	58.80	-	-	-	-	58.80
- Shriram City Union Finance Limited	-	-	-	-	39.96	-	-	-	-	39.96
- Shriram GI Holdings Private Limited	-	-	44.70	-	-	-	-	-	44.70	-
- Piramal Structured Credit Opportunities Fund	-	-	30.38	9.44	-	-	-	-	30.38	9.44
- Piramal Finance Sales & Services Private Limited	3.00	-	-	-	-	-	-	-	3.00	-
- India Resurgence ARC Trust I	-	-	-	-	-	-	-	24.47	-	24.47
- Piramal Investment Opportunities Fund	0.24	-	-	-	-	-	-	-	0.24	-
<b>TOTAL</b>	<b>48.86</b>	<b>281.94</b>	<b>30.38</b>	<b>9.44</b>	<b>44.70</b>	<b>98.77</b>	-	<b>24.47</b>	<b>123.94</b>	<b>414.62</b>
<b>Finance granted / (repayments) - Net (including loans and Equity contribution / Investments in cash or in kind/ Portfolio transferred from / (to))</b>										
- Piramal Dutch IM Holdco B.V.	-	(143.49)	-	-	-	-	-	-	-	(143.49)
- Piramal Fund Management Private Limited	6.00	(59.65)	-	-	-	-	-	-	6.00	(59.65)
- Piramal Capital and Housing Finance Limited	(1,224.72)	(630.37)	-	-	-	-	-	-	(1,224.72)	(630.37)
- India Resurgence Fund - Scheme II	-	-	57.79	66.57	-	-	-	-	57.79	66.57
- Piramal Investment Advisory Services	-	(52.36)	-	-	-	-	-	-	-	(52.36)
- Piramal Systems and Technologies Private Limited	-	(13.16)	-	-	-	-	-	-	-	(13.16)
- Piramal Structured Credit Opportunities Fund	-	-	93.85	143.88	-	-	-	-	93.85	143.88
- India Resurgence ARC Trust I	-	-	-	(48.69)	-	-	-	-	-	(48.69)
- India Resurgence ARC Pvt Ltd	-	-	2.77	-	-	-	-	-	2.77	-
- Piramal Alternatives Private Limited	32.60	-	-	-	-	-	-	-	32.60	-
- Piramal Alternative Trust	321.89	-	-	-	-	-	-	-	321.89	-
- PRL Developers Private Limited	-	-	-	-	-	-	109.29	-	109.29	-
- Others	-	0.43	-	-	-	-	-	-	-	0.43
<b>TOTAL</b>	<b>(864.23)</b>	<b>(898.60)</b>	<b>154.41</b>	<b>161.76</b>	-	<b>98.77</b>	<b>109.29</b>	-	<b>(600.53)</b>	<b>(736.84)</b>
<b>Processing fees charged</b>										
- Piramal Capital & Housing Finance Limited	-	4.81	-	-	-	-	-	-	-	4.81
- PRL Developers Private Limited	-	-	-	-	-	-	2.20	-	2.20	-
<b>TOTAL</b>	-	<b>4.81</b>	-	-	-	-	<b>2.20</b>	-	<b>2.20</b>	<b>4.81</b>
<b>Interest Received on Loans/Investments</b>										
- Piramal Fund Management Private Limited	3.85	8.16	-	-	-	-	-	-	3.85	8.16
- Piramal Capital and Housing Finance Limited	128.08	193.29	-	-	-	-	-	-	128.08	193.29
- PEL Finhold Private Limited	-	1.76	-	-	-	-	-	-	-	1.76
- India Resurgence Asset Management Business Pvt Ltd	-	-	1.43	1.49	-	-	-	-	1.43	1.49
- India Resurgence ARC Pvt Ltd	-	-	2.15	0.78	-	-	-	-	2.15	0.78
- India Resurgence Fund Scheme-II	-	-	66.23	57.70	-	-	-	-	66.23	57.70
- PRL Developers Private Limited	-	-	-	-	-	-	0.03	-	0.03	-
- Others	0.66	3.32	-	-	-	-	-	-	0.66	3.32
<b>TOTAL</b>	<b>132.58</b>	<b>206.52</b>	<b>69.82</b>	<b>59.97</b>	-	-	<b>0.03</b>	-	<b>202.43</b>	<b>266.49</b>





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

(Currency : Rs in crores)

### 2. Details of transactions with related parties.

Details of Transactions	Subsidiaries		Joint Ventures		Associates & its subsidiaries		Other Related Parties (including Promoter group entities)		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Legal and professional fees</b>										
- Piramal Fund Management Private Limited	2.34	16.25	-	-	-	-	-	-	2.34	16.25
- Piramal Capital and Housing Finance Limited	2.01	-	-	-	-	-	-	-	2.01	-
- Piramal Structured Credit Opportunities Fund	-	-	0.39	0.18	-	-	-	-	0.39	0.18
- Piramal Alternatives Private Limited	0.59	0.38	-	-	-	-	-	-	0.59	0.38
- India Resurgence Fund Scheme-II	-	-	6.77	1.67	-	-	-	-	6.77	1.67
- India Resurgence ARC Trust I	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>4.94</b>	<b>16.63</b>	<b>7.16</b>	<b>1.85</b>	-	-	-	-	<b>12.11</b>	<b>18.48</b>
<b>Interest income on debentures / commercial paper</b>										
- Piramal Capital and Housing Finance Limited	-	20.15	-	-	-	-	-	-	-	20.15
- Piramal Systems & Technologies Private Limited	-	2.07	-	-	-	-	-	-	-	2.07
<b>TOTAL</b>	-	<b>22.22</b>	-	-	-	-	-	-	-	<b>22.22</b>
<b>Interest Expense on loans</b>										
- Piramal Capital and Housing Finance Limited	49.83	114.77	-	-	-	-	-	-	49.83	114.77
- Piramal Consumer Products Private Limited	-	1.51	-	-	-	-	-	-	-	1.51
<b>TOTAL</b>	<b>49.83</b>	<b>116.28</b>	-	-	-	-	-	-	<b>49.83</b>	<b>116.28</b>
<b>Intangible assets under development</b>										
- Piramal Foundation for Education Leadership	-	-	-	-	-	-	2.99	-	2.99	-
<b>TOTAL</b>	-	-	-	-	-	-	<b>2.99</b>	-	<b>2.99</b>	-



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

(Currency : Rs in crores)

### Compensation paid to Directors, Key Managerial Personnel and It's relatives:

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

Particulars	(Rs. in crores)	
	2023	2022
Short-term employee benefits	6.46	24.14
Post-employment benefits *	0.75	2.41
Other long-term benefits	0.39	0.03
Commission and other benefits to non-executive/independent directors	3.44	3.22
Professional Fees Paid to non-executive directors	1.80	-
<b>Total</b>	<b>11.04</b>	<b>29.80</b>

\*including Contribution towards Defined Contribution plan Rs 0.10 crores for FY 23.

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee.

### 3. Balances of related parties.

Account Balances	Rs. in Crores									
	Subsidiaries		Joint Ventures		Associates & its Subsidiaries		Other Related Parties (including Promoter group entities)		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Loans to related parties - Unsecured (at amortised cost)</b>										
- Piramal Fund Management Private Limited	35.70	29.70	-	-	-	-	-	-	35.70	29.70
- Piramal Capital and Housing Finance Limited	300.00	2,666.00	-	-	-	-	-	-	300.00	2,666.00
- PRL Developers Pvt Ltd	-	-	-	-	-	-	109.29	-	109.29	-
- Others**	-	15.40	-	-	-	-	-	-	-	15.40
<b>TOTAL</b>	<b>335.70</b>	<b>2,711.10</b>	-	-	-	-	<b>109.29</b>	-	<b>444.99</b>	<b>2,711.10</b>

\*\*Previous year includes amount receivable from Piramal Systems & Technologies Private Limited, Net of provision for doubtful Loans of Rs. 14.22 crores pertaining to Piramal Systems & Technologies Private Limited

### Interest receivable on loans to related parties

PRL Developers Private Limited	-	-	-	-	-	-	-	-	-	0.03	-
Piramal Fund Management Private Limited	13.97	0.08	-	-	-	-	-	-	-	13.97	0.08
Piramal Capital and Housing Finance Limited	13.97	0.08	-	-	-	-	0.03	-	14.00	-	0.08

### Current Account balances with related parties

Piramal Pharma Limited (Including consideration receivable)	-	51.55	-	-	-	-	-	-	-	-	51.55
- India Resurgence Asset Management Business Private Limited	0.00	-	-	-	-	-	-	-	0.00	-	0.36
- Piramal Systems & Technologies Private Limited	73.51	3.66	-	-	-	-	-	-	73.51	-	3.66
- Piramal Capital and Housing Finance Limited	-	0.14	-	-	-	-	-	-	0.14	-	0.14
- Ash Stevens LLC	-	-	-	-	-	-	-	-	-	-	-
- PRL Developers Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-
- Glider Buildcon Realtors Private Limited	-	-	-	-	-	-	-	-	-	-	-
- Piramal Critical care UK Limited	-	(0.18)	-	-	-	-	-	-	0.10	-	0.10
- PEL Pharma Inc	-	-	-	-	-	-	-	-	0.13	-	0.13
- Piramal Alternative Trust	-	-	-	-	-	-	-	-	-	-	-
- PEL Healthcare LLC	3.77	3.51	-	-	-	-	-	-	-	-	(0.18)
- Piramal Critical Care Pky. Ltd.	-	(0.00)	-	-	-	-	-	-	(0.04)	-	(0.18)
<b>TOTAL</b>	<b>77.28</b>	<b>58.68</b>	-	<b>0.36</b>	-	-	<b>(0.13)</b>	-	<b>0.23</b>	-	<b>59.26</b>

### Income Receivable

- Piramal Investment Opportunities Fund	0.16	0.07	-	-	-	-	-	-	-	-	0.16
<b>TOTAL</b>	<b>0.16</b>	<b>0.07</b>	-	-	-	-	-	-	<b>0.16</b>	-	<b>0.07</b>

### Other receivable

- Piramal Healthcare UK Limited	-	0.46	-	-	-	-	(0.06)	-	-	-	0.46
- Piramal Consumer Products Private Limited	0.03	0.08	-	-	-	-	-	-	-	-	0.08
<b>TOTAL</b>	<b>0.03</b>	<b>0.54</b>	-	-	-	-	<b>(0.06)</b>	-	<b>(0.03)</b>	-	<b>0.54</b>



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

Account Balances	Subsidiaries		Joint Ventures		Associates & its Subsidiaries		Other related Parties		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Other Financial Assets</b>										
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	7.28	7.28	7.28	7.28
- Piramal Capital & Housing Finance Limited	-	6.98	-	-	-	-	-	-	-	6.98
- Piramal Corporate services Private Limited	-	-	-	-	-	-	-	1.78	-	1.78
- Piramal Investment Advisory Services Private Limited	-	4.83	-	-	-	-	-	-	-	4.83
<b>TOTAL</b>	-	<b>11.81</b>	-	-	-	-	<b>7.28</b>	<b>9.06</b>	<b>7.28</b>	<b>20.87</b>
<b>Borrowings</b>										
- Piramal Capital & Housing Finance Limited	-	700.75	-	-	-	-	-	-	-	700.75
<b>TOTAL</b>	-	<b>700.75</b>	-	-	-	-	-	-	-	<b>700.75</b>
<b>Trade Payable</b>										
- Piramal Pharma Limited	-	328.81	-	-	-	-	8.44	-	8.44	328.81
- Piramal Pharma Inc.	-	0.04	-	-	-	-	0.04	-	0.04	0.04
- Piramal Corporate services Private Limited	-	-	-	-	-	-	0.01	13.05	0.01	13.05
- Gopikrishna Piramal Memorial Hospital	-	-	-	-	-	-	0.16	0.16	0.16	0.16
- Piramal Critical Care Deutschland GmbH	-	0.08	-	-	-	-	0.08	-	0.08	0.08
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	0.61	-	0.61	-
- Piramal Dutch Holdings N.V.	-	-	-	-	-	-	0.23	-	0.23	-
- PEL Finhold Private Limited	0.06	-	-	-	-	-	-	-	-	0.06
- Others	-	0.23	-	-	-	-	-	-	-	0.23
<b>TOTAL</b>	<b>0.06</b>	<b>329.16</b>	-	-	-	-	<b>9.57</b>	<b>13.21</b>	<b>9.62</b>	<b>342.37</b>
<b>Guarantee Commission Receivable / (Payable)</b>										
- Piramal Healthcare Inc.	-	(0.13)	-	-	-	-	(0.13)	-	(0.13)	(0.13)
- Piramal Critical Care UK Limited	-	2.74	-	-	-	-	-	-	-	2.74
<b>TOTAL</b>	-	<b>2.61</b>	-	-	-	-	<b>(0.13)</b>	-	<b>(0.13)</b>	<b>2.61</b>
<b>Intangible assets under development</b>										
- Piramal Foundation for Education Leadership	-	-	-	-	-	-	2.72	-	2.72	-
<b>TOTAL</b>	-	-	-	-	-	-	<b>2.72</b>	-	<b>2.72</b>	-

All outstanding balances are unsecured and are repayable in cash.

Related parties as defined under para 9 of Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company.

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.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 37 Employee benefits:

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

Particulars	Year Ended	Year Ended
	31 March, 2023	31 March, 2022
Employer's contribution to Regional Provident Fund Office	0.36	-
Employer's contribution to Superannuation Fund	0.05	0.08
Employer's contribution to Employees' State Insurance	0.00	0.08
Employer's contribution to Employees' Pension Scheme 1995	0.13	0.50
Employer's contribution to National Pension Scheme	0.31	0.20

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

##### A. Change in projected benefit obligation

Particulars	Gratuity		Provident Fund	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Present value of benefit obligation as at beginning of the year	26.94	22.41	194.36	299.43
Interest cost	1.15	1.45	17.40	20.76
Current service cost	0.56	1.34	3.88	3.68
Past contribution from employer	-	0.72	-	-
Employee Contribution	-	-	5.52	5.79
Liability transferred in	-	4.34	3.88	2.09
(Liability transferred out)	(5.16)	(1.08)	-	-
Benefits paid directly by the employer	(3.16)	(1.64)	-	-
Benefits paid directly by the fund	(0.06)	(0.54)	(14.32)	(146.00)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.08)	(0.07)	-	-
Actuarial (gains)/losses on obligations - due to experience	(1.50)	(0.00)	-	-
Other actuarial adjustment	-	-	(8.61)	8.61
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>18.68</b>	<b>26.94</b>	<b>202.11</b>	<b>194.36</b>

##### B. Changes in Fair value of plan assets

Particulars	Gratuity		Provident Fund	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Fair Value of Plan Assets as at beginning of the year	1.19	1.64	194.36	299.43
Interest income	0.01	0.11	17.40	20.76
Contributions by the Employer	5.43	-	-	9.47
Contributions by the Employee	-	-	9.40	-
Assets transferred in	-	-	3.88	2.09
Assets transferred out	(5.16)	-	-	-
Benefits paid from the fund	(0.06)	(0.54)	(14.32)	(146.00)
Return on Plan Assets, Excluding Interest Income	(0.21)	(0.02)	(2.94)	(1.43)
Other actuarial adjustment	-	-	-	10.04
<b>Fair value of plan assets as at the end of the year</b>	<b>1.21</b>	<b>1.19</b>	<b>207.77</b>	<b>194.36</b>

##### C. Amount recognised in the Balance Sheet

Particulars	Gratuity		Provident Fund	
	As at	As at	As at	As at
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Present value of benefit obligation at the end of the year	(18.68)	(26.94)	(202.11)	(194.36)
Fair value of plan assets at the end of the year	1.21	1.19	207.77	194.36
Funded status (surplus/ (deficit))	(17.48)	(25.75)	5.67	-
<b>Net (liability)/asset recognized in the Standalone Balance Sheet</b>	<b>(17.48)</b>	<b>(25.75)</b>	<b>5.67</b>	<b>-</b>





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 37 Employee Benefits: (Continued)

#### D. Net interest cost for current year

Particulars	Gratuity		Provident Fund	
	Year Ended 31 March, 2023	Year Ended 31 March, 2022	Year Ended 31 March, 2023	Year Ended 31 March, 2022
Present value of benefit obligation at the beginning of the year	26.94	22.41	194.36	299.43
(Fair value of plan assets at the beginning of the year)	(1.19)	(1.64)	(194.36)	(299.43)
<b>Net liability/(asset) at the beginning</b>	<b>25.75</b>	<b>20.77</b>	<b>-</b>	<b>-</b>
Interest cost	1.15	1.45	17.40	20.76
(Interest income)	(0.01)	(0.11)	(17.40)	(20.76)
<b>Net interest cost for current year</b>	<b>1.13</b>	<b>1.35</b>	<b>-</b>	<b>-</b>

#### E. Expenses recognised in Statement of Profit and Loss

Particulars	Gratuity		Provident Fund	
	Year Ended 31 March, 2023	Year Ended 31 March, 2022	Year Ended 31 March, 2023	Year Ended 31 March, 2022
Current service cost	0.56	1.34	3.88	3.68
Interest cost	1.13	1.35	-	-
Past service cost	-	0.72	-	-
<b>Total expenses / (income) recognised in the Standalone Statement of Profit and Loss</b>	<b>1.69</b>	<b>3.41</b>	<b>3.88</b>	<b>3.68</b>

#### F. Expenses recognized in the Other Comprehensive Income (OCI) for current year

Particulars	Gratuity		Provident Fund	
	Year Ended 31 March, 2023	Year Ended 31 March, 2022	Year Ended 31 March, 2023	Year Ended 31 March, 2022
Actuarial (gains)/losses on obligation due to change in demographic assumptions	-	-	-	-
Actuarial (gains)/losses on obligation due to change in financial assumptions	(0.08)	(0.07)	-	-
Actuarial (gains)/losses on obligation due to experience	(1.50)	(0.00)	-	-
Return on plan assets, excluding interest income	0.21	0.02	-	-
Change in asset ceiling	-	-	-	-
<b>Net (income)/expense For the year recognized in OCI</b>	<b>(1.37)</b>	<b>(0.05)</b>	<b>(1.37)</b>	<b>(0.05)</b>

#### G. Significant actuarial assumptions:

Particulars	Gratuity		Provident Fund	
	Year Ended 31 March, 2023	Year Ended 31 March, 2022	Year Ended 31 March, 2023	Year Ended 31 March, 2022
Expected return on plan assets	7.35%	6.84%	7.35%	6.84%
Rate of discounting	7.35%	6.84%	7.35%	6.84%
Rate of salary increase	9% for 3 years then 6%	9% for 3 years then 6%	-	N.A.

#### H. Movement in present value of net defined benefit obligation are as follows

Particulars	Gratuity		Provident Fund	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Opening net liability	25.75	20.77	-	-
Expenses recognized in Standalone Statement of Profit or Loss	1.69	3.41	-	-
Expenses recognized in OCI	(1.37)	(0.05)	-	-
Net liability transfer in	-	4.34	-	-
Net (liability)/asset transfer out	-	(1.08)	-	-
Benefit paid directly by the employer	(3.16)	(1.64)	-	-
Benefit paid - contribution to the fund	(5.43)	-	-	-
<b>Net liability/(asset) recognized in the Standalone Balance Sheet</b>	<b>17.48</b>	<b>25.75</b>	<b>17.48</b>	<b>25.75</b>





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### I. Category of Assets

Particulars	Gratuity		Provident Fund	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Government of India assets (Central & State)	0.48	-	85.89	79.53
Cash and cash equivalents	0.13	0.09	2.21	0.41
Public sector unit bonds	-	-	5.63	-
Corporate bonds	0.27	-	72.71	74.75
Fixed Deposits under Special Deposit Schemes of Central Government	0.09	-	16.97	16.97
Insurance fund	-	1.09	-	-
Equity Shares of Listed Entities/Mutual Funds	0.22	-	14.55	14.07
Other	-	-	9.81	8.64
<b>Total</b>	<b>1.20</b>	<b>1.18</b>	<b>207.78</b>	<b>194.37</b>

### J. Other details

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
No of active members	174	411
Per month salary for active members	3.27	3.61
Average expected future service (years)	6.00	7.00
Projected benefit obligation (PBO)	18.67	26.93
Prescribed contribution for next year (12 months)	3.27	3.61

### K. Cash flow projection: from the fund

Projected benefits payable in future years from the date of reporting	Gratuity Estimated for the year ended March 31,	
	2023	2022
1st Following Year	13.23	13.97
2nd Following Year	0.67	3.58
3rd Following Year	0.46	1.81
4th Following Year	0.66	0.98
5th Following Year	0.64	1.04
Sum of Years 6 to 10	2.67	5.26

### L. Sensitivity analysis

Projected benefits payable in future years from the date of reporting	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Delta effect of +1% change in rate of discounting	(0.37)	(0.69)
Delta effect of -1% change in rate of discounting	0.42	(1.57)
Delta effect of +1% change in rate of salary increase	0.42	0.41
Delta effect of -1% change in rate of salary increase	(0.38)	(0.70)
Delta effect of +1% change in rate of employee turnover	0.01	(0.02)
Delta effect of -1% change in rate of employee turnover	(0.02)	0.02

#### Notes:

Gratuity is payable as per company' scheme as detailed in the report.

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation and attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand and supply of the employees.

Cash flow projection is done considering future salary, attrition and death in respective year for members as mentioned above.

**These plans typically expose the Company 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, 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.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 38 Fair value disclosures

a) <u>Categories of financial instruments:</u>	31 March 2023			31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Investments	7,113.19	815.85	722.54	3,427.24	1,436.48	1,347.64
Loans	107.54	-	9,508.59	416.01	-	10,883.13
Cash and cash equivalents #	-	-	1,678.22	-	-	1,409.90
Bank balances other than cash and cash equivalents#	-	-	203.28	-	-	106.63
Trade Receivables	-	-	-	-	-	145.77
Other financial assets #	-	-	178.10	-	-	99.22
	<b>7,220.73</b>	<b>815.85</b>	<b>12,290.73</b>	<b>3,843.25</b>	<b>1,436.48</b>	<b>13,992.29</b>
<b>Financial liabilities</b>						
Debt securities	-	-	4,322.18	-	-	5,318.73
Borrowings (other than debt securities)	-	-	4,322.67	-	-	2,351.94
Deposits	-	-	70.41	-	-	700.75
Trade payables #	-	-	99.25	-	-	573.13
Other financial liabilities #	-	-	69.00	-	-	80.26
	-	-	<b>8,883.51</b>	-	-	<b>9,024.81</b>

### b) Fair value hierarchy and method of valuation

Financial instruments	Notes	Carrying value	31 March, 2023			Total
			Level 1	Level 2	Level 3	
<b>Financial assets</b>						
<b>Measured at FVTPL</b>						
Investments in Equity Instruments	ii.	3,933.58	3,933.43	-	0.15	3,933.58
Investments in Preference Shares	i.	111.00	-	-	111.00	111.00
Investments in mutual funds	ii.	150.91	150.91	-	-	150.91
Redeemable Non-Convertible Debentures	iii.	48.88	-	-	48.88	48.88
Investments in AIF	iii.	2,336.10	-	-	2,336.10	2,336.10
Investment in Security Receipt	iii.	532.72	-	-	532.72	532.72
Loans	iv.	107.54	-	-	107.54	107.54
<b>Measured at FVTOCI</b>						
Investments in Equity Instruments	ii.	148.23	148.23	-	-	148.23
Treasury Bills	ii.	667.62	667.62	-	-	667.62
<b>Measured at amortised cost</b>						
Redeemable Non-Convertible Debentures	iii.	430.50	-	-	471.07	471.07
Government Securities	ii.	292.04	288.35	-	-	288.35
Loans	iv.	9,508.59	-	-	9,227.69	9,227.69
<b>Financial liabilities</b>						
<b>Measured at amortised cost</b>						
Debt securities	v.	4,322.18	-	-	4,320.80	4,320.80
Borrowings (other than debt securities)	v.	4,322.67	-	-	4,296.14	4,296.14
Deposits	v.	70.41	-	-	70.41	70.41

Financial instruments	Notes	Carrying value	31 March, 2022			Total
			Level 1	Level 2	Level 3	
<b>Financial assets</b>						
<b>Measured at FVTPL</b>						
Investments in Equity Instruments	ii.	6.81	6.81	-	-	6.81
Investments in Preference Shares	i.	106.84	-	-	106.84	106.84
Investments in mutual funds	ii.	604.44	604.44	-	-	604.44
Investments in debentures or bonds :						
Redeemable Non-Convertible Debentures	iii.	559.31	-	-	559.31	559.31
Investments in security receipts/ AIF	iii.	2,149.90	-	-	2,149.90	2,149.90
Loans	iv.	416.01	-	-	416.01	416.01
<b>Measured at FVTOCI</b>						
Investments in Equity Instruments	ii.	1,436.48	1,436.48	-	-	1,436.48
<b>Measured at amortised cost</b>						
<b>Investments</b>						
Redeemable Non-Convertible Debentures	iii.	1,347.64	-	-	1,697.92	1,698
Loans	iv.	10,883.13	-	-	10,887.16	10,887
<b>Financial liabilities</b>						
<b>Measured at amortised cost</b>						
Debt securities	v.	5,318.73	-	-	5,475.65	5,476
Borrowings (other than debt securities)	v.	2,351.94	-	-	2,351.93	2,352
Deposits	v.	700.75	-	-	700.75	701



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 38 Fair Value Disclosures (Continued)

#### Notes:

- i. The fair value of the preference shares has been calculated by using discounted cash flow method.
- ii. This includes listed instruments which are fair valued using quoted prices or closing NAV in the market.
- iii. Investments in Alternative Investment Funds and Security Receipts is valued basis the net asset value received from the fund house.
- iv. Discounted cash flow method basis contractual cash flow has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates. Credit risk adjustment has not been considered while arriving at the fair values.
- v. Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.
- # The Company has not disclosed the fair value of cash and bank balances, other financial assets, trade payables and other financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

Investments in subsidiaries and joint venture companies are measured at cost less provision for impairment, if any and therefore the above disclosure is not applicable for the same.

#### c) Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 items for the year ended 31 March 2023 and 31 March, 2022.

Particulars	Investments in security receipts and AIF	Preference Shares	Debentures (NCD & OCD)	Loans - FVTPL	Total
<b>As at April 1, 2021</b>	<b>1,631.08</b>	<b>105.00</b>	<b>554.60</b>	<b>680.67</b>	<b>2,971.35</b>
Acquisitions	844.15	1.84	46.50	44.96	937.45
Transfer from / (to) Piramal Capital & Housing Finance Limited	-	-	-	368.51	368.51
Realisations	(785.53)	-	(55.26)	(746.92)	(1,587.71)
Income recognised in standalone statement of profit and loss	460.10	-	13.47	68.81	542.38
<b>As at March 31, 2022</b>	<b>2,149.80</b>	<b>106.84</b>	<b>559.31</b>	<b>416.03</b>	<b>3,231.98</b>
Acquisitions	634.33	4.17	5.25	-	643.75
Realisations	(116.46)	-	(515.68)	(310.03)	(942.17)
Income recognised in standalone statement of profit and loss	201.16	(0.01)	(0.00)	1.54	202.68
<b>As at March 31, 2023</b>	<b>2,868.82</b>	<b>111.00</b>	<b>48.88</b>	<b>107.54</b>	<b>3,136.24</b>

#### d) Valuation Process

The Company engages external valuation consultants to fair value below mentioned financial instruments measured at FVTPL. The main level 3 inputs used for preference shares and debentures are as follows:

For Non-convertible Debentures, Waterfall approach has been used to arrive at the yields for securities held by the Company. For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data have been used.

The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates

For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data have been used.

For Preference Shares and Optionally Convertible Debentures, considered the value as maximum of debt value or equity value as on valuation date. For computation of debt value, discounted cash flow method has been used. For computation of equity value, market approach - comparable company multiple approach, the price to earnings multiple of peer companies in particular has been used.

#### e) Sensitivity for FVTPL Instruments

Impact on the Company's profit before tax if discount rates had been 70 basis points (previous year 70 basis points) higher / lower and if equity had been 500 basis points (previous year 500 basis points) higher / lower is given below:

Method	Nature of Instrument	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact	
				Yield increase	Yield Decrease
Discounted Cash Flow Model as at March 31, 2023	Term Loan	Discount rate	0.7%	-	-
	Term Loan	Equity	5%	-	-
Discounted Cash Flow Model as at March 31, 2022	Term Loan	Discount rate	0.7%	(93)	124
	Term Loan	Equity	5%	-	-



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 39 Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or combination of short term /long term debt as may be appropriate. The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI. Refer Note 54 for capital adequacy and related disclosures. Refer Note 20.9 for dividend paid and proposed by the Company.

### 40 Risk management

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. Company's risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Company is exposed to various types of risks, the most important among them are liquidity risk, interest rate risk, credit risk, regulatory risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Company.

The Audit Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with RBI and other regulators.

The Company's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices.

The Risk Management Committee of the Board ("RMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The RMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company and broadly perceives the risk arising from (i) credit risk, (ii) liquidity risk, (iii) interest rate risk and (iv) fraud risk and operational risk (v) regulatory risk

#### 40.1 Liquidity risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company has formulated an Asset Liability Management Policy in line with RBI guidelines for Non-Banking Financial Company. The Asset Liability Management Committee (ALCO) is responsible for the management of the companies funding and liquidity requirements. The company manages liquidity risk by maintaining sufficient cash and marketable securities, unutilised banking facilities, credit lines and by continuously monitoring forecast and actual cash flows, and by assessing the maturity

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the 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 March 31, 2023 and March 31, 2022 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Maturities of financial liabilities	31 March, 2023			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Debt securities	3,215.91	1,270.30	143.89	-
Borrowings (other than debt securities)	3,987.45	509.45	171.71	-
Deposits	71.51	-	-	-
Trade payables	99.25	-	-	-
Other financial liabilities	56.41	-	-	12.59
	<b>7,430.53</b>	<b>1,779.75</b>	<b>315.60</b>	<b>12.59</b>

Maturities of financial liabilities	31 March, 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Debt securities	1,946.35	4,135.10	47.79	-
Borrowings (other than debt securities)	2,040.46	297.34	87.35	-
Deposits	75.47	3,648.20	-	-
Trade payables	573.12	-	-	-
Other financial liabilities	73.16	3.68	1.86	-
	<b>4,708.56</b>	<b>8,084.32</b>	<b>137.00</b>	<b>-</b>





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

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.

Maturities of financial assets	31 March, 2023			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	5,649.49	1,589.64	668.98	10,067.15
Loans	3,076.51	4,284.84	2,279.73	2,669.65
Other financial assets	165.38	-	-	12.72
	<b>8,891.38</b>	<b>5,874.48</b>	<b>2,948.71</b>	<b>12,749.52</b>

Maturities of financial assets	31 March, 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	1,945.51	5,382.53	2,845.68	432.93
Loans	2,669.06	4,611.06	3,440.12	2,657.12
Trade Receivable	156.62	-	-	-
Other financial assets	13.07	-	-	-
	<b>4,784.26</b>	<b>9,993.59</b>	<b>6,285.80</b>	<b>3,090.05</b>

In case of undrawn loan commitments, the expected maturities are as under:

Particulars	March 31, 2023	March 31, 2022
	1 to 3 years	1 to 3 years
Commitment to invest in AIF	69	78.09
	<b>69.00</b>	<b>78.09</b>

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

### Commitment as on March 31, 2023

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund			2,021.13	119.31
India Resurgence Fund - Scheme 2	100.00	59.03	737.37	485.28

### Commitment as on March 31, 2022

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund			1,932.89	132.67
India Resurgence Fund - Scheme 2	100.00	66.04	737.37	500.61

### The Table below shows contractual maturity profile of carrying value of assets and liabilities

	As on 31 Mar 2023		Total
	Within 12 months	After 12 months	
<b>1. Financial assets:</b>			
(a) Cash and cash equivalents	1,678.22	-	1,678.22
(b) Bank balances other than cash and cash equivalents	0.04	203.24	203.28
(c) Receivables	-	-	-
(d) Loans	2,089.73	6,668.61	8,758.34
(e) Investments	5,458.39	11,977.25	17,435.64
(f) Other financial assets	165.38	12.72	178.10
<b>Total Financial assets</b>	<b>9,391.76</b>	<b>18,861.82</b>	<b>28,253.58</b>
<b>2. Non-financial assets:</b>			
(a) Inventories	-	-	-
(b) Current tax assets (net)	-	722.87	722.87
(c) Deferred tax assets (net)	-	415.80	415.80
(d) Investment Property	-	1,335.31	1,335.31
(e) Property, Plant and Equipment	-	11.77	11.77
(g) Intangible assets under development	-	2.72	2.72
(h) Intangible assets	-	7.38	7.38
(i) Right to Use Assets	-	10.88	10.88
(j) Assets held for sale	2,277.54	-	2,277.54
(k) Other non-financial assets	2.53	63.65	66.18
<b>Total Non-financial assets</b>	<b>2,280.07</b>	<b>2,570.38</b>	<b>4,850.45</b>
<b>Total Assets</b>	<b>11,671.83</b>	<b>21,432.20</b>	<b>33,104.03</b>

### LIABILITIES AND EQUITY

#### Liabilities

##### 1. Financial liabilities:

(a) Trade payables			
(i) Total outstanding dues to micro and small enterprises	1.04	-	1.04
(ii) Total outstanding dues to creditors other than micro and small	98.21	-	98.21
(b) Debt securities	3,052.97	1,269.21	4,322.18
(c) Borrowings (other than debt securities)	3,729.49	593.18	4,322.67
(d) Deposits	70.41	-	70.41
(e) Other financial liabilities	59.63	9.37	69.00
<b>Total Financial liabilities</b>	<b>7,011.76</b>	<b>1,871.75</b>	<b>8,883.51</b>





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 2. Non- financial liabilities:

Current tax liabilities			
(a) Current tax liabilities (net)	128.85	-	128.85
(b) Provisions	38.79	17.47	56.26
(c) Other non- financial liabilities	0.95	-	0.95
<b>Total Non-financial liabilities</b>	<b>168.59</b>	<b>17.47</b>	<b>186.06</b>

### 3. Equity

(a) Equity share capital	-	47.73	47.73
(b) Other equity	-	23,986.73	23,986.73
<b>Total Equity</b>	<b>-</b>	<b>24,034.46</b>	<b>24,034.46</b>

### Total Liabilities and Equity

<b>7,180.35</b>	<b>25,923.68</b>	<b>33,104.03</b>
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In previous year the Company used to present financials in division II format and after giving effect to restructuring previous year's figures has not been presented (refer note 42)

#### 40.2 Interest rate risk and sensitivity analysis

The Company is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

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

The exposure of the Company's borrowings to the interest rate risk at the end of the year for variable rate borrowing is of carrying value Rs. 5,300.80 crores (March 31, 2022 405.98 crores) and fixed rate borrowings are Rs. 3,414.46 crores (March 31, 2022- Rs. 10,836.44 crores)

Impact on the Company's profit before tax if interest rates had been 100 basis points higher / lower is given below:

Sensitivity analysis on floating rate instruments	As At		As At	
	31 March, 2023	31 March, 2022	31 March, 2022	31 March, 2022
	Higher	Lower	Higher	Lower
Sensitivity analysis on floating rate debts securities, borrowings other than debt securities and deposits	(53.01)	53.01	(4.06)	4.06
Sensitivity analysis on floating rate assets	65.99	(65.99)	74.33	(74.33)



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 40.3 Credit risk

The Company is exposed to credit risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company's Risk management team has developed proprietary internal risk rating models to evaluate the credit risk for the loans and investments made by the Company. The output of traditional credit rating model is an estimate of probability of default. The Company's proprietary risk rating models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

The lending exposure includes lending to the below sectors:

Sectors	Exposure as at	
	31 March, 2023	31 March, 2022
Real estate	74.18%	65.25%
Infrastructure loans	1.28%	4.08%
Others	24.54%	30.67%

### Credit risk management

**Credit risk management is achieved by considering various factors like :**

- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
- Industry & micro-market risk – This is an assessment of the riskiness of the industry and/or micro-market to which the borrower/project belongs
- Project risk – This is an assessment of the standalone project from which interest servicing and principal repayment is expected to
- Structure risk – This is an assessment of the loan structure which is characterized by its repayment tenor, moratorium, covenants,
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
- Exit – This is an assessment of the liquidity of the loan or investment.

Each of the above components of the risk analysis are assigned a specific weight which differ based on type of loan. The weights are then used with the scores of individual components for conversion to a risk rating.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

Risk Grading	Description
Dark Green	Extremely good loan
Green	Good loan
Yellow	Moderate loan
Amber	Weak loan
Red	Extremely weak loan

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned credit-rating agencies or mutual funds.

### Provision for expected credit loss

The Company has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. The Company makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No.iii of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).

For the purpose of expected credit loss analysis the Company defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

The Company provides for expected credit loss based on the following:

Category - Description	Stage	Basis for recognition of Expected credit loss
Assets for which credit risk has not significantly increased from initial recognition	Stage 1	12 month ECL
Assets for which credit risk has increased significantly but not credit impaired	Stage 2	Life time ECL
Assets for which credit risk has increased significantly and credit impaired	Stage 3	Loss Given Default

For the year ended March 31, 2023 and March 31, 2022 the Company has developed a PD Matrix after considering some parameters as stated below :

The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc . Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc) - (1) Sponsor strength (2) Overdues (3) Average debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Company has computed the PD. The Company has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD. The Company also maintains Expected Credit Loss for undisbursed limits after applying the Credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

### Expected credit loss as at the reporting period:

As at 31 March, 2023

Particulars	Asset group	Amortised Cost	Expected credit loss	Net amount
Assets for which credit risk has not significantly increased from initial recognition*	Investments	371.89	19.68	352.21
	Loans	7,716.99	331.72	7,385.27
Assets for which credit risk has increased significantly but not credit impaired	Investments	-	-	-
	Loans	1,431.37	321.06	1,110.31
Assets for which credit risk has increased significantly and credit impaired	Investments	151.30	83.05	68.25
	Loans	360.23	205.01	155.22
<b>Total</b>		<b>10,031.78</b>	<b>960.52</b>	<b>9,071.26</b>

As at 31 March, 2022

Particulars	Asset group	Amortised Cost	Expected credit loss	Net amount
Assets for which credit risk has not significantly increased from initial recognition*	Investments	1,285.87	48.98	1,236.89
	Loans	9,178.45	184.54	8,993.91
Assets for which credit risk has increased significantly but not credit impaired	Investments	-	-	-
	Loans	961.46	154.14	807.32
Assets for which credit risk has increased significantly and credit impaired	Investments	272.49	163.40	109.09
	Loans	743.22	425.60	317.62
<b>Total</b>		<b>12,441.49</b>	<b>976.66</b>	<b>11,464.84</b>

### Reconciliation of loss allowance

For the year ended 31 March, 2023

a) Investments and loans	12 months ECL	Lifetime ECL not credit impaired	ECL credit impaired
Balance at the beginning of the year	233.52	154.14	589.00
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	(39.04)	39.04	-
Transferred to Lifetime ECL credit impaired	(15.71)	-	15.71
Bad debts written off	(1.65)	(113.18)	(575.32)
Transferred from Lifetime ECL credit impaired	-	-	-
Transferred from Piramal Capital & Housing Finance Limited	-	-	-
Transferred to Piramal Capital & Housing Finance Limited	-	-	-
On account of rate increase / (reduction)	85.55	272.15	289.04
Charge to Standalone Statement of Profit and Loss	-	-	-
On account of disbursements	145.96	2.82	14.87
On account of repayments	(57.24)	(33.90)	(45.24)
<b>Balance at the end of the year</b>	<b>351.40</b>	<b>321.06</b>	<b>288.05</b>



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

	For the year ended 31 March, 2022		
Investments and loans	12 months ECL	Lifetime ECL not credit	ECL credit impaired
Balance at the beginning of the year	346.30	99.07	501.15
Transferred to 12-month ECL	87.34	(87.34)	-
Transferred to Lifetime ECL not credit impaired	(23.31)	23.31	-
Transferred to Lifetime ECL credit impaired	(6.79)	-	6.79
Transferred from Lifetime ECL credit impaired	-	-	-
On account of rate increase / (reduction)	(87.48)	123.45	86.94
On account of disbursements	57.18	2.32	0.98
On account of repayments	(139.72)	(6.67)	(6.86)
<b>Balance at the end of the year</b>	<b>233.52</b>	<b>154.14</b>	<b>589.00</b>

### b) Expected credit loss on undrawn loan commitments and letter of comfort:

Particulars	31 March, 2023	31 March, 2022
ECL on undrawn loan commitments and letter of comfort (refer note 18)	23.33	12.59

### c) Description of collateral held as security and other credit enhancements

The Company has set benchmarks on appropriate level of security cover for various types of deals. The Company periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Company varies on case to case basis and includes:

- i) First / Subservient charge on the Land and / or Building of the project or other projects
- ii) First / Subservient charge on the fixed and current assets of the borrower
- iii) Hypothecation over receivables from funded project or other projects of the borrower
- iv) Pledge on shares of the borrower or their related parties
- v) Guarantees of promoters / promoter undertakings
- vi) Post dated / undated cheques

As at the reporting date, the value of the collateral held as security for the credit impaired financial assets is higher than the exposure at default for these assets.

### d) The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting

Particulars	31 March, 2023	31 March, 2022
Value of Security (at Fair Value considered for LGD)	223.47	426.71

### 40.4 Regulatory risk:

The Company requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Company may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

### 40.5 Fraud risk and operational risk:

The Company has a robust Risk Management framework to identify, measure and mitigate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business strategy and enhance the Company's competitive advantage. This risk framework thus helps in managing market, credit, operational and fraud risks and quantifies potential impact at a Company level.

The Company has an elaborate system of internal audit commensurate with the size, scale and complexity of its operations and covers funding operations, financial reporting, fraud control and compliance with laws and regulations.





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 41 Employee Stock Option Plan

The Company had formulated Employees' Stock Ownership Plan - 2015 ("ESOP Scheme 2015"), under which, such eligible employees of the Company and its subsidiaries can exercise Stock Options that were vested in them under such ESOP Scheme 2015

The ESOP Scheme 2015 were approved by the Nomination and Remuneration Committee and the effective date of the same is 31 March 2023

Under the ESOP Scheme 2015, 1,81,828 stock options are granted during the year ended March 31, 2023.

Number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

	Number of options	Weighted-Average Exercise Price	Weighted- Average Remaining Contractual Life (Years)
Outstanding as on April 01, 2022			
Granted during the year*	1,81,828	2.00	5.0
Exercised during the year	-	-	-
Forfeited/lapsed during the year	-	-	-
Outstanding as on March 31, 2023*	1,81,828	2.00	5.0
Exercisable as on March 31, 2023	1,81,828		

\*Includes 12,256 options granted to Key managerial personnel of the Company.

The Black Scholes Valuation model has been used for computing the weighted average fair value of stock options granted during the year considering the following input:

Grant Date	March 31, 2023
Vesting Date	3 Equal months on the expiry of at least 12 months, 16 months and 28 months or 3 Equal months on the expiry of at least 28 months, 40 months and 52 months 3 Equal months on the expiry of at least 13 months, 14 months, 26 months and 38 months
Risk free interest rate	6.91% - 6.92%
Expected life	3.0 to 3.7 years
Expected Volatility	55.62% - 58.71%
Expected dividend yield	55.62% - 58.71%
Exercise Price	Rs. 2
Stock Price	Rs. 678.35
Option fair Value	Rs. 631.84 - Rs. 639.48
Exercise Period	5 years from date of vesting

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

#### Method used to account for the Scheme (Intrinsic or fair value):

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Company are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss over the vesting period of options which is the requisite service period, with corresponding increase in the equity.

During the year ended March 31, 2023, Rs. 0.02 crores has been charged to statement of profit & loss account with a corresponding increase in employee stock options reserves of Rs. 0.02 crores. [Refer note no. 20.8 and 27]





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 42 Composite Scheme of Arrangement - Discontinued Operations

#### Disposal Of Pharmaceutical Business

The board of directors of the Company, at their meeting held on 7 October 2021, had inter alia, approved the composite Scheme of Arrangement under applicable provisions of the Companies Act, 2013 between Company, Piramal Pharma Limited ('PPL'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Fininvest Private Limited ('PFPL') and their respective shareholders and creditors ('Scheme'). The Scheme inter alia provides for the following:

- (i) the transfer by way of demerger of the Demerged Undertaking (as set out in the Scheme) from Company to PPL, a subsidiary of PEL
- (ii) the amalgamation of CCPL and HPPL (both being wholly owned subsidiaries of PPL) into PPL.
- (iii) the amalgamation of PFPL (a wholly owned subsidiary of PEL) into company ('FS Amalgamation').

The Scheme was approved by the Hon'ble National Company Law Tribunal on 12 August 2022. Accordingly, the Scheme became operative from Appointed date i.e. 1 April 2022.

The composite scheme of arrangement ("the Scheme") for demerger of Pharma undertaking and merger of PHL Fininvest Private Limited, a wholly owned subsidiary company, into the Company was approved by the Hon'ble National Company Law Tribunal on 12 August 2022. Accordingly, the Scheme became operative from Appointed date i.e. 1 April 2022.

In view of the above, the previously issued standalone financials for the year ended 31 March 2022 have been restated to give impact of the Scheme.

The Company has given effect to accounting as follows:

All assets and liabilities pertaining to demerged Pharma undertaking have been classified as non-cash assets held for transfer to Piramal Pharma Limited / shareholders as on 1st April 2022 being the appointed date. The difference between book values of the assets and liabilities transferred is recognised as gains in Profit and loss account amounting to Rs. 11,459.96 crores as per the requirements of Appendix A to Ind AS 10. At the date of approval of the Scheme, the liability was subsequently remeasured resulting in remeasurement gain of Rs 759.76 crores. The corresponding aggregate charge was recognised in retained earnings (reserve) as per the requirements of the aforesaid Ind AS.

The nature of the gain (including remeasurement gain) being non-recurring in nature was classified as exceptional item by the Company.

As per the requirements of Ind AS 105, the income and expense pertaining to Pharma business in the previous comparable periods were presented in a separate line item – discontinued operations.

Costs incidental / consequential to the arrangement aggregating to Rs 307.46 crores (net of tax) incurred by the Company was considered as exceptional items being non-recurring in nature.

Particulars	As on April 1,2022
<b>(i) Fair value of the of Pharma undertaking at date of derecognition</b>	<b>12,982.55</b>
<b>(ii) Analysis of asset and liabilities over which control was lost</b>	
<b>Assets</b>	
Financial assets	1,667.52
Non- financial assets	332.28
<b>Total Assets (A)</b>	<b>1,999.80</b>
<b>Liabilities</b>	
Financial liabilities	462.76
Provisions	7.41
Deferred tax liabilities	4.22
Other non- financial liabilities	2.78
Non- Financial liabilities	14.41
<b>Total liabilities (B)</b>	<b>477.17</b>
<b>Net assets disposed off [C= (A-B)]</b>	<b>1,522.63</b>
<b>Gain on transfer of the pharma undertaking at date of derecognition[i-ii]</b>	<b>11,459.92</b>
<b>Gain on Subsequent remeasurement</b>	<b>759.76</b>
<b>Total Gain recognised in profit and loss</b>	<b>12,219.68</b>
<b>Distribution of Investments in Piramal Pharma Limited</b>	<b>1,463.45</b>
<b>Other Distribution in the composite scheme</b>	<b>59.18</b>
<b>Total amount distributed</b>	<b>13,742.31</b>



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 42 Composite Scheme of Arrangement - Discontinued Operations Analysis of profit/(loss) from discontinued operations

Particulars	For the year ended 31 March 2022
Revenue from operations	1,093.83
Other income	57.46
<b>Total Income (I)</b>	<b>1,151.29</b>
Cost of goods sold	959.80
Other expenses	153.98
<b>Total Expenses (II)</b>	<b>1,113.78</b>
<b>Profit before tax ((I)-(II))</b>	<b>37.51</b>
Less: Tax expense	4.03
<b>Profit from discontinued operations after tax (A)</b>	<b>33.48</b>
Other Comprehensive Income and (Expense) (OCI) (net of tax)	-
<b>OCI (net of tax) (B)</b>	<b>-</b>
<b>Total Comprehensive Income, net of tax expense (A+B)</b>	<b>33.48</b>

### Cash flows from discontinued operations

Particulars	For the year ended 31 March 2022
Net cash used from operating activities	(3.98)
Net cash used from investing activities	(4.11)
Net cash used from financing activities	-

### Merger of PHL Fininvest Private Limited

Pursuant to above composite scheme of arrangement, all assets and liabilities of PHL Fininvest Private Limited have been recorded at book values as appearing in the financial statement after eliminating all inter-company transactions and balances. All prior period comparative information was restated as per the requirements of Appendix A to Ind AS 103. Accordingly, capital reserve of Rs. 4.66 crores was recognised by the Company.

The following table represents reported numbers and restated numbers based on above paragraph.

Particulars	Year Ended	
	March 31, 2022	March 31, 2022
	(Audited, Restated)	(Audited, Reported)
Total income	2,820.22	2,693.18
Profit After Tax	997.68	572.28

Exceptional for the previous year ended represents transaction costs of Rs.10.20 crores in relation to the composite Scheme of Arrangement under applicable provisions of the Companies Act, 2013 between Company, Piramal Pharma Limited ('PPL'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Fininvest Private Limited ('PFPL') and their respective shareholders and creditors ('Scheme').



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 43 Assets held for sale

During the year ended 31 March 2023, on conclusion of a strategic review of its investments, the Company initiated identification and evaluation of potential buyers for its associate investments, Shriram LI Holdings Private Limited, Shriram GI Holdings Private Limited and Shriram Investment Holdings Limited. The Company anticipates completion of the sale in foreseeable future and accordingly, investments amounting to Rs. 2,277.54 crores in respect of these associates have been reclassified under 'assets held for sale'. On reclassification, these investments has been measured at the lower of carrying amount and fair value less cost to sell. No impairment provision was required to be recognised in the statement of profit and loss for the year ended 31 March 2023, on these investments

### 44 Corporate social responsibility expenditure

Particulars	31 March, 2023	31 March, 2022
Amount required to be spent as per Section 135 of the Act	17.17	13.15
<i>Amount spent during the year</i>		
(i) Construction/acquisition of an asset	0.60	-
(ii) On purposes other than (i) above	19.40	14.60
Shortfall at the end of the year	-	-
Reason for shortfall	NA	NA
<b>Nature of CSR activities</b>		
Education sector (State Transformation Program)	14.00	1.15
Education sector (District Transformation Program)	-	1.15
Health Sector	6.00	12.30
<b>Details of related party transactions</b>	-	-

### 45 Additional Regulatory Information

- There have been no events after the reporting date that require disclosure in these financial statements.
- There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current year. Transactions with struck off companies for the Previous year has been tabulated below

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2022	Relationship with the Struck off company, if any to be disclosed
New Golden Transport Company	Receivables	-*	Customer
IMS Services Pvt. Ltd	Payable	-*	Vendor
Secureplus Allied Private Limited	Payable	-*	Vendor

\*Amounts below rounding off norms

- No proceeding has been initiated during the year or pending against the Company for holding any Benami property.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- During the current year the Company has not traded or invested in Crypto currency or Virtual Currency.
- The Company have not been declared as a wilful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guidance on wilful defaulters issued by Reserve Bank of India.
- The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the act read with companies (Restriction on number of Layers) Rules, 2017.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The Company, has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company, has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

- xi) The Company has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Principal amounts outstanding as at the year-end :

Subsidiary Companies	As at March 31, 2023	As at March 31, 2022
Piramal Fund Management Private Limited	35.70	29.70
Piramal Capital & Housing Finance Limited	300.00	2,666.00
Piramal Asset Management Private Limited	-	15.40

### The maximum amounts outstanding during the year:

Subsidiary Companies	As at March 31, 2023	As at March 31, 2022
Piramal Fund Management Private Limited	35.70	89.35
Piramal Capital & Housing Finance Limited	2,666.00	2,666.00
Piramal Systems & Technologies Private Limited	-	13.16
Piramal Asset Management Private Limited	26.55	15.40
Piramal Investment Advisory Services Private Limited	-	300.00
Piramal Securities Limited	-	0.20
PEL Finhold Private Limited	-	21.50

- xii) The Company has utilised funds raised on short term basis for the purpose for which it was taken.
- xiii) The Company has not granted loan or advance in nature of loans to Related parties which are repayable on demand or without specifying terms/period of repayment

## 46 Analytical Ratios

Particulars	31 March, 2023	31 March, 2022
Debt-Equity ratio (Debt/Shareholders Equity)	0.36	0.35
Liquid Coverage Ratio	485.85%	NA
CRAR	43.63%	NA

## 47 Transfer of Assets

Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-2.2 dated 24 September 2021

(a) Details of loans (not in default) acquired through assignment for the year ended 31 March 2023:

Amount of loans acquired through assignment	Rs. 3187.61 crores
Retention of beneficial economic interest	Note 1
Weighted average residual maturity	81 months
Weighted average holding period	16 months
Coverage of tangible security	Note 2
Rating-wise distribution of rated loans	Unrated

Note 1

For Deals executed within the group, Retention of beneficial economic interest is Nil  
For External Deals, Retention of beneficial economic interest is 10%

Note 2

For HL/LAP - 100% cover  
For other Unsecured Loans - NIL

(b) The Company has not transferred any loan (not in default) through assignment during the year ended 31 March 2023.

(c) (i) Details of stressed loan transferred during the year ended 31 March 2023.

No. of Accounts	19 No
Aggregate principal outstanding of loans transferred*	1345.72 crores
Weighted average residual tenor of the loans transferred	69 months
Net book value of loans transferred (at the time of transfer)	730.05 crores
Aggregate consideration	806.73 crores
Additional consideration realized in respect of accounts transferred in earlier years	Nil
Excess provision reversed	76.68 crores

\*Represents value on the date of transfer in the books of the Company

(c) (ii) Pursuant to the Reserve Bank of India circular RBI/2021-22/154 DOR.SIG.FIN.REC 84/26.03.001/2021-22 dated 10th February 22, the security receipts issued to the Company by the Asset Reconstruction Company (ARC) towards consideration for transfer of stressed loans have not been rated by the ARC since the prescribed time period of six months has not elapsed from the date of acquisition of loans by the ARC.

(d) The Company has not acquired any stressed loan during the year ended 31 March 2023.





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 48 Changes in liabilities arising from financing activities

a) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash Flows')

The Company does not have any financing activities and investing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

b) Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')

	As at 1 April, 2022	Cash flows	Others	As at 31 March, 2023
Debt securities	5,318.73	(1,141.18)	144.63	4,322.18
Borrowings (other than debt securities)	2,351.94	1,955.84	14.89	4,322.67
Deposits	700.75	(630.56)	0.22	70.41
	<b>8,371.42</b>	<b>184.09</b>	<b>159.75</b>	<b>8,715.26</b>

	As at 1 April, 2021	Cash flows	Others	As at 31 March, 2022
Debt securities	6,067.92	(801.09)	52.00	5,318.73
Borrowings (other than debt securities)	3,441.40	(1,089.46)		2,351.94
Deposits	1,153.00	(452.17)		700.75
	<b>10,662.32</b>	<b>(2,342.72)</b>	<b>52.00</b>	<b>8,371.42</b>

Refer note 42 for significant non-cash items

The Company does not have any financing activities and investing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs in crores)

### 49 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) Particulars of foreign currency exposures as at the reporting date

Currencies	As at March 31, 2023		As at March 31, 2022	
	Trade receivables		Trade receivables	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
EUR	-	-	-	-
GBP	0.01	0.06	-	-
USD	-	-	2.54	19.26

Currencies	As at March 31, 2023		As at March 31, 2022	
	Trade payables / (advance to suppliers)		Trade payables / (advance to suppliers)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
AUD	-	-	0.00	0.02
CHF	-	-	1.48	11.91
EUR	0.03	0.31	0.05	0.41
GBP	0.01	0.06	0.03	0.38
USD	0.03	0.21	1.80	8.72
JPY	-	-	0.22	0.02

Currencies	As at March 31, 2023		As at March 31, 2022	
	Current Account Balances receivable (payable)		Current Account Balances receivable (payable)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
USD	-	-	-	-
GBP	0.01	0.01	0.02	0.17
CNY	-	-	0.21	0.25
CAD	-	-	-	-
RUB	-	-	0.90	0.20

\* 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	Currencies	Increase /Decrease	For the year ended March 31, 2023			For the year ended March 31, 2022			Impact on Profit or Loss before tax/Other Equity (pre-tax) for the year (in Rs. Crores)	
			Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in Rs. )	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in Rs. )		
	USD	Increase by 5%**	-	0.03	4.11	(0.01)	2.54	1.80	3.79	0.28
	USD	Decrease by 5%**	-	0.03	(4.11)	0.01	2.54	1.80	(3.79)	(0.28)
	GBP	Increase by 5%**	-	0.01	5.09	(0.00)	0.02	0.03	4.97	(0.01)
	GBP	Decrease by 5%**	-	0.01	(5.09)	0.00	0.02	0.03	(4.97)	0.01
	EUR	Increase by 5%**	-	0.03	4.48	(0.02)	-	0.05	4.21	(0.02)
	EUR	Decrease by 5%**	-	0.03	(4.48)	0.02	-	0.05	(4.21)	0.02

\*\* Holding all the other variables constant



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

50 On July 26, 2022, The Company had received the Certificate of Registration to carry on the business of Non Banking Financial Institution. Hence, Previous Years Figures in RBI Disclosures, SBR Disclosures and Disclosure under regulation 52(4) of SEBI (LODR) regulation, 2015 have not been provided.

51 **Disclosure on Prudential Floor for ECL**  
In terms of RBI circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under IND AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
<b>Performing assets</b>						
Standard Assets	Stage 1	8,193.32	351.40	7,841.92	32.79	318.61
	Stage 2	1,431.37	321.06	1,110.31	5.73	315.33
<b>Sub-total</b>		<b>9,624.69</b>	<b>672.46</b>	<b>8,952.23</b>	<b>38.51</b>	<b>633.94</b>
<b>Non-performing assets (NPA)</b>						
Substandard	Stage 3	511.53	288.06	223.47	51.15	236.91
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Sub-total for doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>511.53</b>	<b>288.06</b>	<b>223.47</b>	<b>51.15</b>	<b>236.91</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	954.17	21.10	933.07	-	21.10
	Stage 2	100.98	2.23	98.75	-	2.23
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>1,055.15</b>	<b>23.33</b>	<b>1,031.82</b>	<b>-</b>	<b>23.33</b>
	<b>Stage 1</b>	<b>9,147.49</b>	<b>372.49</b>	<b>8,775.00</b>	<b>32.79</b>	<b>339.71</b>
	<b>Stage 2</b>	<b>1,532.35</b>	<b>323.29</b>	<b>1,209.06</b>	<b>5.73</b>	<b>317.57</b>
	<b>Stage 3</b>	<b>511.53</b>	<b>288.06</b>	<b>223.47</b>	<b>51.15</b>	<b>236.91</b>
<b>Total</b>	<b>Total</b>	<b>11,191.37</b>	<b>983.85</b>	<b>10,207.53</b>	<b>89.67</b>	<b>894.18</b>

Notes

- 1 Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31st March, 2023, no amount is required to be transferred to 'Impairment Reserve'. The balance in the 'Impairment Reserve' (if and when created) shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.
- 2 In terms of recommendations as per above referred notification, the Company has adopted the same definition of default for accounting purposes as guided by the definition used for regulatory purposes.
- 3 Policy for sales / transfers out of amortised cost business model portfolios

Sale/ transfer of portfolios out of amortised cost business model:

As a short-term financing approach, the Company has been transferring or selling certain pools of fixed rate loan receivables by entering in to direct assignment transactions with Asset reconstruction companies for consideration received in cash and security receipts at the inception of the transaction. With an objective of better liquidity and risk management, the Company, during the course of the year, obtains approval of Asset Liability Committee (ALCO) and Risk Management Committee (RMC) of the Board of Directors for undertaking direct assignment transactions of certain value of loan assets comprising the collateral based loan receivables at appropriate times during the year. These transactions are carried out after complying with extant RBI guidelines. Besides direct assignment as alternate financing tool, it is also being used as a effective Balance sheet management through better liquidity and risk management by transfer of assets from risk averse to risk takers. Such sale/transfer does not change the Company's business objective of holding financial assets to collect contractual cash flows. The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. The Company has sold certain stressed portfolio classified under amortised cost for liquidity and recovery management strategy of the Company. Such sale of loans will not lead to change in business model as per the company's board approved policy and management's evaluation of business model.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued) For the year ended 31 March, 2023

(Currency : Rs. in Crores)

### 52 In terms of RBI circular DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019 52.1 Additional disclosure on liquidity risk

#### 1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
1	14	6,228.15	NA	68.67%

#### 2 Top 20 large deposits (amount in ₹ crores and % of total deposits)

Not Applicable

#### 3 Top 10 borrowings (amount in ₹ crores and % of total borrowings)

Amount	% of Total Borrowings
5,811.76	66.68%

Note

- For points 1 to 3 above, we are considering Clearing Corporation of India as a single counterparty for CROMS borrowing since counterparties cannot be ascertained for the said instrument.

#### 4 Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Redeemable Non Convertible Debentures (secured)	4,322.18	47.66%
2	Term loan (secured) from banks	2,080.24	22.94%
3	Commercial paper (Unsecured)	1,902.90	20.98%
4	CROMS Borrowings (Clearing Corporation of India)	339.53	3.74%

#### 5 Stock Ratios:

Sr. No.	Particulars	Mar 31, 2023
(a)	(i) Commercial papers as a % of total public funds	21.83%
	(ii) Commercial papers as a % of total liabilities	20.98%
	(iii) Commercial papers as a % of total assets	5.75%
(b)	(i) Non-convertible debentures (original maturity of less than one year) as a % of total public funds	17.44%
	(ii) Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	16.76%
	(iii) Non-convertible debentures (original maturity of less than one year) as a % of total assets	4.59%
(c)	(i) Other short-term liabilities, if any as a % of total public funds	43.12%
	(ii) Other short-term liabilities, if any as a % of total liabilities	41.43%
	(iii) Other short-term liabilities, if any as a % of total assets	11.35%

#### 6 Institutional set-up for liquidity risk management

- The Asset Liability Committee (ALCO) is responsible for the management of the companies funding and liquidity requirements, within the board approved framework and extant regulations.
- The Company manages liquidity risk by maintaining an appropriate mix of unutilised banking facilities, credit lines as necessary and by continuously monitoring expected and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.



# Piramal Enterprises Limited

Notes to the standalone financial statements (Continued)  
For the year ended 31 March, 2023

(Currency : Rs. in Crores)

52 In terms of RBI circular DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019 (Continued)  
52.2 Additional disclosure on Liquidity Coverage Ratio

Sr. No.	Particulars	Quarter ended March 31, 2023		Quarter ended December 31, 2022		Quarter ended September 30, 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	<b>High Quality Liquid Assets</b>						
	Total High Quality Liquid Assets (HQLA)*	1,199	1,199	771	771	260	260
	<b>Cash Outflows</b>						
2	Deposits (for deposit taking companies)	NA	NA	NA	NA	NA	NA
3	Unsecured wholesale funding	692	796	674	775	447	515
4	Secured wholesale funding	65	75	74	85	33	38
5	Additional requirements, of which						
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-
6	Other contractual funding obligations	22	25	22	25	22	25
7	Other contingent funding obligations	79	91	53	61	-	-
8	<b>Total Cash Outflows</b>	<b>858</b>	<b>987</b>	<b>823</b>	<b>946</b>	<b>502</b>	<b>577</b>
	<b>Cash Inflows</b>						
9	Secured lending	-	-	-	-	-	-
10	Inflows from fully performing exposures	110	83	377	283	478	358
11	Other cash inflows	80	60	70	52	62	46
12	<b>Total Cash Inflows</b>	<b>1,175</b>	<b>891</b>	<b>1,150</b>	<b>863</b>	<b>419</b>	<b>315</b>
		<b>1,365</b>	<b>1,024</b>	<b>1,597</b>	<b>1,198</b>	<b>959</b>	<b>719</b>
	<b>Total Adjusted Value</b>						
13	TOTAL HQLA		1,199		771		260
14	TOTAL NET CASH OUTFLOWS		247		236		144
15	LIQUIDITY COVERAGE RATIO (%)		486%		326%		180%
	<b>* Components of High Quality Liquid Assets (HQLA)</b>						
	T-Bills		634		244		-
	G-Sec		253		143		125
	Bank balance		312		383		135
	<b>Total</b>		<b>1,199</b>		<b>771</b>		<b>260</b>

## Qualitative disclosures

- The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can be used to meet its liquidity needs for the next month under a significantly severe liquidity stress scenario.
- LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days
- For the purpose of HQLA, the company considers: (1) Unencumbered government securities (2) Unencumbered Cash and Bank Balances and (3) Treasury Bills
- Since the Company commenced its NBFC business from 18th August 2022, hence the company has prepared the LCR disclosure basis simple averages of balances from 18th August 2022.

## Qualitative disclosures (Continued)

- The cash inflows include amount based on contractual basis for Loans & Advances that are standard in nature.
- Other Contingent Funding Obligations includes the undisbursed loan amount only of those obligations which have non-cancellable clauses.
- The Liquidity Risk Management framework of the Company is governed by its Asset Liability Management Policy approved by the Board. The Asset Liability Management Committee (ALCO) oversees the implementation of liquidity risk management framework of the Company and ensure adherence to the risk tolerance / limits set by the Board.
- As prescribed by the RBI Guidelines, Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent month
- Total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)].
- Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities by 115% (15% being the rate at which they are expected to run off further or be drawn down)
- Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow)
- The company has maintained healthy Liquidity Coverage Ratio (LCR) for the time period under consideration. The company had LCR of 825% as of March 31, 2023, 235% as of December 31, 2022 and 210% as of September 30, 2022 which is higher than LCR mandated by RBI. The company regularly reviews the maturity position of assets and liabilities and liquidity buffers, and ensures maintenance of sufficient quantum of High Quality Liquid Assets.





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

53 As required by the RBI circular no. DNBS.CO.PD.No. 367/03.10.01/2013-14 dated 23 January 2014, the details of accounts restructured during the year ended 31 March 2023 are given below:

Sr. No.	Type of restructuring	Restructuring Account as on 1 April 2022			Fresh restructuring during the year			Upgradations to restructured standard category during the year			Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY			Downgradations of Restructured accounts during the FY			Write-offs/Settlement/Recovery of Restructured accounts during the FY			Restructured accounts as on 31 March 2023		
		No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon
	Others																					
	Standard	1	133.19	19.97	1	36.35	**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Less	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	1	133.19	19.97	1	36.35	-	-	-	-	-	-	-	-	-	-	-	-	-	1	169.54	19.97

Note: 1 Since the disclosure of restructured advance account pertains to section 'Others', the first two sections, namely, 'Under CDR Mechanism' and 'Under SME Debt Restructuring Mechanism' as per format prescribed in the guidelines are not included above

2 \*\* Borrower is measured at FVTPL, hence the provision is NIL





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

### 54 Non-Banking Financial Company disclosures

#### 54.1 Disclosures as required in terms of Annex IV of Master Direction – “Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016”.

Particulars		
Sr. No.	Liabilities side :	Amount outstanding as at 31 March, 2023
1	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>	
	(a) Debentures : Secured (refer note 2 below) : Unsecured (other than falling within the meaning of public deposits)	4322.18 -
	(b) Deferred credits	-
	(c) Term loans	2080.24
	(d) Inter-corporate loans and borrowing (refer note 2 below)	70.41
	(e) Commercial paper	1902.9
	(f) Public deposits	-
	(g) Other loans	339.53
2	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>	
	(a) In the form of unsecured debentures	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-
	(c) Other public deposits	-

Particulars		
Sr. No.	Assets side :	Amount outstanding as at 31 March, 2023
3	<b>Break-up of loans and advances including bills receivables [other than those included in (4) below:]</b> (Amount gross of provision)	
	(a) Secured	8,535.00
	(b) Unsecured	1,601.22
4	<b>Break up of leased assets and stock on hire and other assets counting towards asset financing activities</b>	
	(i) Lease assets including lease rentals under sundry debtors:	10.88
	(a) Financial lease	10.88
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	-
	(a) Assets on hire	-
	(b) Repossessed assets	-
	(iii) Other loans counting towards AFC activities	-
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

### 54 Additional Non-Banking Financial Company disclosures (Continued)

Sr. No.	Assets Side :	Amount outstanding as at 31 March, 2023
5	<b>Break-up of investments :</b> <b>Current investments :</b> 1. Quoted : (i) Shares : (a) Equity 4,081.66 (b) Preference - (ii) Debentures and bonds (refer note 2 below) - (iii) Units of mutual funds (refer note 2 below) 150.91 (iv) Government securities - (v) Others (please specify) - 2. Unquoted : (i) Shares : (a) Equity (refer note 3 below) 2,277.54 (b) Preference - (ii) Debentures and bonds (refer note 2 below) 13.14 (iii) Units of mutual funds - (iv) Government securities 667.62 (v) Others - -Alternative Investment Fund 582.94  <b>Long term investments :</b> 1. Quoted : (i) Shares : (a) Equity - (b) Preference - (ii) Debentures and bonds (refer note 2 below) - (iii) Units of mutual funds - (iv) Government securities 292.04 (v) Others (please specify) - 2. Unquoted : (i) Shares : (a) Equity 8,489.66 (b) Preference 111.00 (ii) Debentures and bonds (refer note 2 below) 48.88 (iii) Units of mutual funds - (iv) Government Securities - (v) Others (please specify) - -Alternative Investment Funds 2,047.71 -Security Receipts 532.72 -Investment Property (refer note 3 below) 1335.31	

6 Borrower group-wise classification of assets financed as in (3) and (4) above :				
Sr. No.	Category (Amount net of provision)	As at 31 March 2023		
		Secured	Unsecured	Total
1	Related Parties			
(a)	Subsidiaries	-	349.67	349.67
(b)	Companies in the same group	-	-	-
(c)	Other related parties	-	-	-
2	Other than related parties (refer note 4 below)	7,626.05	1,199.98	8,826.03
	<b>Total</b>	<b>7,626.05</b>	<b>1,549.65</b>	<b>9,175.70</b>



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

### 54 Additional Non-Banking Financial Company disclosures (Continued)

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)			
Sr. No.	Category	As at 31 March 2023	
		Market Value / Break up or fair value or NAV	Book Value (Net of Provision)
1	Related Parties		
(a)	Subsidiaries	13,512.67	8,520.51
(b)	Companies in the same group (refer note 2, 3 & 4 below)	6,658.94	6,647.54
(c)	Other related parties	-	-
2	Other than related parties (refer note 2, 3 & 4 below)	4,124.08	4,127.77
	<b>Total</b>	<b>24,295.69</b>	<b>19,295.82</b>

8 Other information		
Sr. No.	Particulars	Amount as at As at 31 March 2023
(i)	Gross non-performing assets	-
(a)	Related parties	-
(b)	Other than related parties	511.53
(ii)	Net non-performing assets	-
(a)	Related parties	-
(b)	Other than related parties	223.47
(iii)	Assets acquired in satisfaction of debt	-

Notes:

- Provision is calculated as per the Expected Credit loss ('ECL') model as given in Note 2 (iii) of the standalone financial statement.
- Amount disclosed represents the amortised cost of instruments / loans and advances and Investments and fair value in case of FVTPL instruments as per Ind AS as given in Note 2 (ii) of the standalone financial statement.
- Value of Investments includes Investment Property and Asset held for Sale
- Investment in Non Convertible Debentures in the nature of Loans and Advances have been considered under Loans & Advances for the purpose of above disclosures.

#### 54.2 Disclosures as required in terms of Annex XVI of Master Direction – “Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016”.

- Minimum disclosures**  
The following additional disclosures have been given in terms of Annex XIV of Master Direction – “Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016”.
- Summary of Significant accounting policies**  
The accounting policies regarding key areas of operations are disclosed as note 2 to the standalone financial statements.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

### 54 Additional Non-Banking Financial Company disclosures (Continued)

#### (iii) Capital to risk- assets ratio ('CRAR')

Sr. No.	Particulars	As at 31 March 2023
1	CRAR (%)	43.63%
2	CRAR - Tier I capital (%)	42.38%
3	CRAR - Tier II capital (%)	1.25%
4	Amount of subordinated debt raised as Tier-II capital	-
5	Amount raised by issue of perpetual debt instruments	-

For the purpose of calculating CRAR, below points have been considered:

- 1 Provision is calculated as per the Expected Credit loss ('ECL') model as given in Note 2 (iii) of the standalone financial statement. Stage 3 assets are considered as NPA and Stage 1 and 2 assets are considered as Standard assets.
- 2 The amortised cost of loans and advances and Investments and fair value in case of FVTPL instruments as per Ind AS as given in Note 2 (ii) of the standalone financial statement.
- 3 Amount for contingent liabilities and Undrawn committed credit lines under Non-funded exposure have been considered as per note 32 (a) and 32 (b) of the standalone financial statement.

#### (iv) Investments

Sr. No.	Particulars	As at 31 March 2023
1	Value of investments (Refer notes below)	
	(i) Gross value of investments	
	(a) In India	20,627.38
	(b) Outside India	148.23
	(ii) Provisions for depreciation	
	(a) In India	144.48
	(b) Outside India	-
	(iii) Net Value of investments	
	(a) In India	20,482.90
	(b) Outside India	148.23
2	Movement of provisions held towards depreciation on investments	
	(i) Opening balance	1,430.83
	(ii) Add: Provisions made during the year	26.00
	(iii) Less: write off / write back of excess provisions during the year	1,312.35
	(iv) Closing balance	144.48

#### Notes

- 1 Amount disclosed represents the amortised cost of loans & advances and Investments and fair value in case of FVTPL and FVOCI instruments as per Ind AS as given in Note 2 (ii) of the standalone financial statements.
- 2 Value of Investments includes Investment Property and Asset held for Sale
- 3 Investment in Non Convertible Debentures in the nature of Loans and Advances have been considered under Loans & Advances for the purpose of above disclosures.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

### 54 Additional Non-Banking Financial Company disclosures (Continued)

#### (v) Maturity pattern of certain items of assets and liabilities

Particulars	Over 1 day to 7 days	Over 8 days to 14 days	Over 15 days to 30 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities (refer note 1 below)</b>											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings	339.53	9.59	19.18	643.38	954.05	613.64	4,273.51	1,555.26	307.12	-	8,715.26
<b>Foreign currency liabilities</b>											
Assets (refer note 2 below)	-	-	-	-	-	-	-	-	-	-	-
Advances (Refer Note 3 below)	72.18	26.62	53.72	113.59	185.21	544.54	1,093.87	3,575.14	1,617.07	1,893.76	9,175.70
Investments (Refer Note 4 below)	294.40	-	1,724.97	1,282.86	1,388.66	324.56	2,572.26	1,303.96	435.60	11,155.63	20,482.90
<b>Foreign Currency assets</b>											
	-	-	49.41	49.41	49.41	-	-	-	-	-	148.23

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Notes:

- Amount disclosed represents the amortised cost of the instruments as per Ind AS as given in Note 2 (ii) of the standalone financial statement.
- Amount disclosed represents the amortised cost of loans and advances (Net of ECL) and Investments and fair value in case of FVTPL Loans and Advances as per Ind AS as given in Note 2 (ii) & (iii) of the standalone financial statement.
- NCD forming part of Investments schedules are in the nature of Loans and Advances, and covered in Advances above
- Includes Assets held for Sale and Investment Property.

#### (vi) Exposures to real estate sector

St. No.	Category	As at 31 March 2023
<b>(a)</b>	<b>Direct exposure</b>	
(i)	Residential mortgages- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,511.02
(ii)	Commercial real estate- Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	7,051.37
(iii)	Investments in mortgage backed securities (MBS) and other securitised exposures- a. Residential b. Commercial real estate	-
<b>(b)</b>	Indirect exposures Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs.)	313.97
	<b>Total Exposure to Real Estate Sector</b>	<b>8,876.36</b>





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

### 54 Additional Non-Banking Financial Company disclosures (Continued)

#### (vii) Exposure to capital market

Sr. No.	Particulars	As at 31 March 2023
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (refer note 1 below)	4,901.90
2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-
6	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	200.51
7	Bridge loans to companies against expected equity flows / issues;	-
8	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-
9	Financing to stockbrokers for margin trading	-
10	All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	3,009.69
<b>Total exposure to capital market</b>		<b>8,112.10</b>

#### Notes

- Amount for Direct investment in equity shares are considered at cost and not the carrying value / Fair Value



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

### 54 Additional Non-Banking Financial Company disclosures (Continued)

#### (viii) Provisions and contingencies

Break up of 'Provisions and contingencies shown in profit and loss account (Refer note below)	As at 31 March 2023
Provisions for depreciation on investment	(1,286.35)
Provision towards NPA (refer Note 1 below)	(292.30)
Provision made towards Income tax	13.93
Other Provision and Contingencies	-
Provision for standard assets	283.96

Notes:

- 1 Provision is calculated as per the Expected Credit loss ('ECL') model as given in Note 2 (iii) of the standalone financial statement. Stage 3 assets are considered as NPA and Stage 1 and 2 assets are considered as Standard assets.

#### (ix) Concentration of Deposits

The Company is a Systemically Important Non-Deposit Taking NBFC and has not accepted any public deposits

#### (x) Concentration of advances

Particulars	As at 31 March 2023
Total advances to 20 largest borrowers*	5,126.34
Percentage of advances to 20 largest borrowers to total	50.57%

\*includes loan and investments at amortised cost

#### (xi) Concentration of exposures

Particulars	As at 31 March 2023
Total Exposure to 20 largest borrowers*	6,023.53
Percentage of exposures to 20 largest borrowers to total	53.82%

\*includes loan, investments, capital commitment and letter of comfort

#### (xii) Concentrations of NPA

Particulars	As at 31 March 2023
Total Exposure top 10 NPA accounts	506.21

#### (xiii) Sector wise NPAs

Sr. No.	Sector	Percentage of NPAs to total advances in that sector As at 31 March 2023
1	Agriculture & allied activities	0.00%
2	MSME	0.00%
3	Corporate borrowers (Includes Services and Industry Exposure)	6.00%
4	Services	**
5	Unsecured personal loans	0.31%
6	Auto loans	0.24%
7	Other personal loans	0.21%

\*\* Already considered in Corporate borrowers



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

### 54 Additional Non-Banking Financial Company disclosures (Continued)

(xiv) Movement of NPAs		As at 31 March 2023
Particulars		
(i)	Net NPA to net advances (%)	2.27%
(ii)	Movement of NPAs (Gross)	
	(a) Opening balance	1,016.17
	(b) Additions during the year	988.36
	Subtotal (1)	2,004.53
	(c) Reductions during the year due to recoveries	1,494.00
	Subtotal (2)	1,494.00
	(d) Closing balance (1-2)	511.53
(iii)	Movement of NPAs (Net)	
	(a) Opening balance	427.24
	(b) Additions during the year	261.28
	(c) Reductions during the year	466.05
	(d) Closing balance	222.47
(iv)	Movement of provisions for NPAs (excluding provision on standard asset)	
	(i) Opening balance	588.93
	(ii) Additions during the year	727.08
	Subtotal (1)	1,316.01
	(iii) Reductions during the year	
	Write back of excess provision on account of reduction in NPAs	1,027.95
	Subtotal (2)	1,027.95
	(iv) Closing balance (1-2)	288.06

(xv) **Draw down from reserves**

There is no drawdown of reserves during the year ended 31 March, 2023.

(xvi) **Registration/ license/ authorisation obtained from other financial sectors regulators-**

Particulars	Registration Number
Financial Intelligence Unit	FINBFI15600

(xvii) **Rating assigned by credit rating agencies and migration of rating during the year**

Nature of Borrowings	Rating Agency	Ratings assigned during FY 2022-23
Non Convertible Debentures	ICRA Limited	ICRA AA(Stable)
Commercial papers	CARE Ratings Limited	CARE AA(Stable)
	CRISIL Limited	CRISIL A1+
Long term bank facilities	CARE Ratings Limited	CARE A1+
	ICRA Limited	ICRA AA(Stable)
Short Term Non Convertible Debentures	CARE Ratings Limited	CARE AA(Stable)
	ICRA Limited	ICRA A1+
Short Term Bank facilities	CARE Ratings Limited	CARE A1+
	ICRA Limited	ICRA A1+
Inter Corporate Deposits	CARE Ratings Limited	CARE A1+
Market Linked Debenture	CARE Ratings Limited	CARE PP-MLD AA (Stable)

(xviii) **Structured product issued**

The Company has not issued any structured product during the year ended 31 March, 2023.

(xix) **Penalties/fines imposed by RBI and other banking regulatory bodies**

No penalty was imposed by RBI or any other banking regulatory bodies during the year ended 31 March, 2023.

(xx) **Area, country of operation & joint venture partners with regard to joint ventures and overseas subsidiaries-**

Name of the Subsidiary	Country	Total Assets
Piramal International	Mauritius	USD 0.05 million
Piramal Dutch IM Holdco B.V	Netherlands	USD 0.00 million



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

### 54 Additional Non-Banking Financial Company disclosures (Continued)

- (xxi) **Extent of financing of parent company product**  
Not Applicable
- (xxii) **Details of off-balance sheet SPV's sponsored**  
The Company does not have any off-balance sheet SPV's sponsored.
- (xxiii) **Disclosure of complaints**  
There are no customer complaints received during the year.
- (xxiv) **Securitisation/ assignment transactions**  
The Company transfers loans through direct assignment transactions. Details of the same are provided in Note 47 (a)
- (xxv) **Details of financial assets sold to Securitisation/Reconstruction Company for asset reconstruction**  
Details of the same are provided in Note 47 (c)
- (xxvi) **Details of non-performing financial assets purchased / sold**  
Details of the same are provided in Note 47 (c)
- (xxvii) **Details of single borrower limit (SBL) / group borrower limit (GBL) exceeded by the NBFC**  
The Company has not exceeded the prudential exposure limits during the year
- (xxviii) **Unsecured advances**  
Refer note 5 for details related to unsecured loans. The Company has not issued any advances against the right, licence and authority as collateral.
- (xxix) **Related party transactions**  
Details of all material transactions with related parties are disclosed in point note 36.
- (xxx) **Remuneration of directors**  
Details of remuneration of directors disclosed in Section XXXX of Directors Report
- (xxxi) **Management Discussion and Analysis (MD & A)**  
Details of Management Discussion and Analysis disclosed in Section XXXX of Directors Report
- (xxxii) **Net profit or loss for the period, prior period items and changes in accounting policies**  
There are no prior period items that have impact on the current year's profit and loss.
- (xxxiii) **Revenue recognition**  
There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.
- (xxxiv) **Ind AS 110 – Consolidated financial statements (CFS)**  
The company has prepared the consolidated Financial Statements (CFS) as per Ind AS 110
- (xxxv) **Forward rate agreement (FRA) / Interest rate swap (IRS)**  
The Company has not taken any exchange traded Forward rate agreement (FRA) / Interest rate swap (IRS) during the year ended 31 March, 2023.
- (xxxvi) **Exchange traded interest rate (IR) derivative**  
The Company has not taken any exchange traded interest rate (IR) derivatives during the year ended 31 March, 2023.
- (xxxvii) **Disclosure on risk exposure in derivative – Qualitative and quantitative disclosures**  
The Company has not taken any risk exposure in derivative during the year ended 31 March, 2023.
- (xxxviii) **Disclosure on Credit Default Swap**  
The Company has not taken any Credit Default Swap exposure during the year ended 31 March, 2023.
- (xxxix) **Disclosure on Currency Option/Currency Futures**  
The Company has not taken any Currency Option/Currency Futures exposure during the year ended 31 March, 2023.
- (xxxx) **Disclosure on Perpetual Debt Instruments**  
The Company has not issued / Invested in any Perpetual Debt Instruments during the year ended 31 March, 2023.



# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency ; Rs. in Crores)

### 55 Disclosure requirements under Scale Based Regulation for NBFCs

- (i) **Exposure to real estate sector**  
The Company's exposure to real estate sector is provided in Note 54.2 (vi)
- (i) **Exposure to capital market**  
The Company's exposure to capital market is provided in Note 54.2 (vii)
- (ii) **Sectoral exposure**

Sector	As on 31 March 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
<b>I. Bank Credit (II + III)</b>	<b>11,191.37</b>	<b>511.53</b>	<b>4.57%</b>
<b>II. Food Credit</b>	-	-	0.00%
<b>III. Non-food Credit</b>	11,191.37	511.53	4.57%
<b>1. Agriculture and Allied Activities</b>			
<b>2. Industry (Micro and Small, Medium and Large)</b>	<b>446.30</b>	-	<b>0.00%</b>
2.1. Micro and Small	-	-	0.00%
2.2. Medium	216.99	-	0.00%
2.2.1 Infrastructure	-	-	0.00%
2.2.1.i. Power	216.99	-	0.00%
2.3. Large	229.32	-	0.00%
2.3.1. Vehicles, Vehicle Parts and Transport Equipment	100.02	-	0.00%
2.3.2. Infrastructure	-	-	0.00%
2.3.2.i. Other Infrastructure	129.29	-	0.00%
<b>3. Services</b>	<b>7,974.31</b>	<b>505.45</b>	<b>6.34%</b>
3.1. Tourism, Hotels and Restaurants	1,264.35	-	0.00%
3.2. Commercial Real Estate	5,787.02	505.45	8.73%
3.3. Non-Banking Financial Companies (NBFCs) of which,	593.07	-	0.00%
3.3.1. Housing Finance Companies (HFCs)	313.97	-	0.00%
3.3.2. Public Financial Institutions (PFIs) and Other NBFCs	279.10	-	0.00%
3.4. Other Services	329.87	-	0.00%
<b>4. Personal Loans</b>	<b>2,770.76</b>	<b>6.08</b>	<b>0.22%</b>
4.1. Consumer Durables	77.02	0.24	0.31%
4.2. Housing (Including Priority Sector Housing)	25.03	0.09	0.34%
4.3. Vehicle Loans	176.01	0.43	0.24%
4.4. Other Personal Loans	2,492.70	5.32	0.21%

### (iv) Intra Group Exposure

Particulars	As on 31 March 2023	
	Exposure on Group entities	Exposure by Group entities
(i) Total amount of intra-group exposures	813.08	-
(ii) Total amount of top 20 intra-group exposures	813.08	-
(iii) Percentage of intra-group exposures to total exposure of the NBFC on	8.02%	0.00%





# Piramal Enterprises Limited

## Notes to the standalone financial statements (Continued)

For the year ended 31 March, 2023

(Currency : Rs. in Crores)

### 55 Disclosure requirements under Scale Based Regulation for NBFCs

- (v) **Unhedge Foreign Currency Exposure**  
The Company's exposure to foreign currency risk at the end of the reporting period is provided in Note 49
- (vi) **Related Party Disclosure**  
Details of all material transactions with related parties are disclosed in point note 36.
- (vii) **Disclosure of complaints**  
There are no customer complaints received during the year.
- (viii) **Corporate governance**  
Further details on Corporate Governance are provided in Report of the Directors
- (ix) **Breach of covenant**  
There are NIL case of breach of covenant during the year ended 31 March, 2023.
- (x) **Divergence in Asset Classification and Provisioning**  
Not Applicable
- (xi) **Items of income and expenditure of exceptional nature.**  
Details of exceptional items are provided in note 29



**Notes to the standalone financial statements (Continued)**  
For the year ended 31 March, 2023

(Currency : Rs in crores)

**56 Disclosures in terms of Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

- 1 The Company has paid interest and principal on Non-Convertible Debentures on due dates.
- 2 Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
- 3 There is no material deviations in the use of the proceeds from the Issue of Non-Convertible Debentures.

Sr. No.	Particulars	For the year ended 31 March, 2023
1	Debt - Equity ratio [Debt Securities + Borrowings (other than debt securities) + Deposit + Subordinated debt] / Total Equity	0.36
2	Net Worth (Rs in crores) [Total Equity]	24,034.46
3	Net Profit after tax (including exceptional item) (Rs in crores)	14,333.30
4	Earning per share	
	Basic (₹)	600.56
	Diluted (₹) @	598.58
5	Total debts to total assets ratio [Debt securities+Borrowings (other than debt securities)+Deposits+Subordinated debts] / Total Assets	26.33%
6	Net profit margin [profit after tax and before exceptional items / Total Income]	50.05%
7	Sector specific equivalent ratio as applicable	
	(A) Gross NPA (Stage 3 assets gross) ratio	5.05%
	(B) Net NPA (Stage 3 assets net) ratio	2.27%

Note:

Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover, Operating margin are not applicable to the Company.

@ not considered when anti-dilutive

**57** The financial statements have been approved for issue by Company's Board of Directors on 5 May, 2023.

For and on behalf of the Board of Directors  
Piramal Enterprises Limited



Ajay G. Piramal  
Chairman  
(DIN:00028116)



Upma Goel  
Chief Financial Officer



Diplo Singh  
Company Secretary

Place : Mumbai  
Date : 5 May 2023



**INDEPENDENT AUDITOR'S REPORT**

**To The Members of Piramal Enterprises Limited  
Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Piramal Enterprises Limited ("the Parent"/ "the Holding Company") and its subsidiaries, (the Parent/ Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Emphasis of Matter**

In case of one subsidiary, the Component auditors have drawn attention to matters stated in note 56(A)(ii) to the consolidated financial statements with respect to certain elements of business combination accounting as per Ind AS 103- Business Combination, for acquisition of Dewan Housing Finance Limited (DHFL) under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which PCHFL has merged into DHFL with effect from September 30, 2021.

Our opinion is not modified in respect of above matters.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Impairment loss allowance on loans and Investments pertaining to finance business</b></p> <p><b>Charge: Rs. 905.08 crores for the year ended March 31, 2022</b>  <b>Provision: Rs. 3,724.85 crores at March 31, 2022 (including on loan commitments of Rs. 113.71 crore)</b></p> <p>Refer to the accounting policies in Note 2(a)(ix), Note 2(b)(iv) and Note 48(f) to the consolidated financial statements</p>	
1(a)	<p>Of Rs. 3,724.85 crores of expected credit loss provisioning as at March 31, 2022, Rs. 2,727.30 crores (including on loan commitment of Rs. 101.12 crores), are audited by Other Auditors of the Component.</p> <p>The Component is in the business of wholesale and retail lending primarily to the real estate and infrastructure sector.</p> <p>The key audit matter provided below is as communicated by the Other Auditors:</p> <p>The estimation of ECL on financial assets is complex and involves significant management judgement and estimates, including the following:</p> <ul style="list-style-type: none"> <li>• Models used to estimate ECL are inherently judgmental with high estimation uncertainty which involves determining Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).</li> <li>• Completeness and accuracy of the data from internal and external sources used in the</li> </ul>	<p>1) As principal auditors, we had issued written communication to the auditor of the component ('Other Auditors') for key audit procedures to be performed by them.</p> <p>In accordance with such communication, below is summary of procedures performed by the Other Auditors, as reported by them-</p> <p>The Other Auditors focused on assessing the appropriateness of the models used including management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Considered the component's accounting policies for expected credit loss of financial assets and assessed compliance of the policies in terms of Ind AS 109.</li> <li>• Understood management's processes, systems and controls implemented in relation to ECL allowance process. Evaluated the design and tested the operating effectiveness of key internal financial controls over such process.</li> <li>• Assessed the governance framework over validation, implementation and model monitoring as per approval from Board of</li> </ul>

<p>models.</p> <ul style="list-style-type: none"> <li>• Ind AS 109 requires the component to measure ECLs on a forward-looking basis reflecting future economic conditions. Significant management judgement is applied in determining the economic scenario used and probability weights applied to them.</li> <li>• Qualitative adjustments are made by the Management to the results obtained from ECL models to address any identified impairment or emerging trends as well as risks not captured by models. These adjustments are inherently subjective and significant management judgement is involved in estimating these amounts.</li> <li>• In respect of purchased or originated credit impaired financial assets, cumulative changes, at the portfolio level, in lifetime expected credit losses since initial recognition are recognised as a loss allowance. Significant management judgement is applied to assess such changes.</li> </ul> <p>Further, RBI announced various relief measures for the borrowers to address situations arising out of COVID-19 which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment.</p> <p>The disclosures prescribed under Ind AS 109 and RBI directives is also an area of focus for the management and auditors.</p> <p>Considering the significance of ECL to the component’s overall consolidated financial statements and the degree of management’s estimates and judgments involved in this matter that requires significant auditor attention,</p>	<p>Directors.</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the modelling techniques adopted by the component including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical as well as external data, we assessed whether the same were relevant and representative of current circumstances.</li> <li>• Assessed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the classification of loan assets into stages as described in the accounting policy, Exposure at default (EAD), probability of default (PD) or loss given default (LGD);</li> <li>• On sample basis tested the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records;</li> <li>• Evaluated whether the methodology applied by the component is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including mathematical accuracy of the workings.</li> </ul> <p>2) Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of:</p> <ul style="list-style-type: none"> <li>• Reviewing a written summary of the audit procedures performed by the Other Auditors.</li> <li>• Discussion with the Component’s Management to understand the key assumptions (i.e., staging, EAD, PD and LGD rates) and other inputs, including macro-economic factors, used in the computation of ECL provision.</li> <li>• Discussion with the Other Auditors on their assessment and conclusions relating to impact of COVID-19, macro-economic factors, triggers for significant increase in credit risk and other inputs used in computation of ECL provision.</li> <li>• On a sample basis, independently retesting loan contracts and evaluating the key assumptions used in the computation of</li> </ul>
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	<p>we have considered expected credit loss allowance on financial assets to be a key audit matter.</p>	<p>ECL provision.</p> <ul style="list-style-type: none"> <li>Discussion with the Other Auditors on their evaluation of events upto the date of the audit report, and obtaining communication in this regard</li> </ul>
<p>1 (b)</p>	<p>Of Rs. 3,724.85 crores of expected credit loss provisioning as at March 31, 2022, Rs. 751.47 crores (including on loan commitment of Rs. 12.59 crores), are audited by Other Auditors.</p> <p>The Component is in the business of wholesale lending primarily to the real estate and infrastructure sector.</p> <p>The key audit matter provided below is as communicated by the Other Auditors:</p> <p>Ind AS 109 - "Financial instruments" (Ind AS 109) requires the component to provide for impairment of its financial assets (designated as amortised cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach.</p> <p>The recognition and measurement of ECL on financial instrument involves significant judgement and estimates.</p> <p>i) Data Input – The application of ECL model requires several data inputs to calculate Probability of Default ("PDs") and Loss Given Default ("LGD"). The increased risk relating to the completeness and accuracy of the data considered to create assumptions in the model.</p> <p>ii) Model estimations – Inherently judgmental model used to estimate ECL which involves determination of Probability of Default (PD), Loss given default (LGD) and Exposure at default (EAD).</p> <p>Further, in light of the business disruption caused due to COVID-19, the management has done an assessment of the impact on the ECL on the above-</p>	<p>1) As principal auditors, we had issued written communication to the auditor of the component ('Other Auditors') for key audit procedures to be performed.</p> <p>In accordance with such communication, the procedures performed by the Other Auditors, as reported by them, have been provided below.</p> <ul style="list-style-type: none"> <li>Performed process walkthroughs to identify the key systems, applications and controls used in the impairment allowance processes.</li> <li>Testing the design and operating effectiveness of the key controls over the completeness and accuracy of data, inputs, assumptions into the Ind AS 109 Impairment model.</li> <li>Testing the component's controls over authorization and calculations of management overlays.</li> <li>We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status Performed inquiries with the component's management and its risk management function to assess the impact of Covid-19 on the business activities of the component and its loans portfolio.</li> <li>Evaluated whether the methodology applied by the component is compliant with the requirements of the relevant accounting standards, RBI's master directions relating to Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings.</li> <li>We tested the arithmetical accuracy of the computation of ECL provision performed by the component in spreadsheets.</li> </ul>

	<p>mentioned financial assets. The management using certain assumptions and estimates, applied management overlays to arrive at a probable impact on COVID-19 on the ECL provision.</p> <p>Given the complexity and significant judgement and the uncertainty of impact of COVID-19 involved in the estimation of expected credit losses on loans, we have considered this area as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Assessing whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in financial statements are appropriate and sufficient.</li> </ul> <p>2) Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of:</p> <ul style="list-style-type: none"> <li>• Reviewing a written summary of the audit procedures performed by the Other Auditors.</li> <li>• Discussion with the Component's Management to understand the key assumptions (i.e., staging, EAD, PD and LGD rates) and other inputs, including macro-economic factors, used in the computation of ECL provision.</li> <li>• Discussion with the Other Auditors on their assessment and conclusions relating to impact of COVID-19, macro-economic factors, triggers for significant increase in credit risk and other inputs used in computation of ECL provision.</li> <li>• On a sample basis, independently retesting loan contracts and evaluating the key assumptions used in the computation of ECL provision.</li> <li>• Discussion with the Other Auditors on their evaluation of events upto the date of the audit report and obtaining communication in this regard.</li> </ul>
<p>1 (c)</p>	<p>Of Rs. 3,724.85 crores of expected credit loss provisioning as at March 31, 2022, Rs. 246.08 Crore are audited by us.</p> <p>The Parent as part of its financial services segment offers long term and short-term wholesale lending primarily to the real estate and infrastructure sector. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Company applies the expected credit loss (ECL) model for recognising impairment loss.</p> <p>The Holding Company's assessment of</p>	<p>We performed the following key audit procedures:</p> <p>a) We held discussions with the Management and performed an overall assessment of the ECL provision at each stage including management's assessment of COVID-19 impact, to determine if the provision was reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.</p> <p>b) We evaluated the design of internal controls relating to the computation of ECL provision, the key assumptions (i.e., staging, EAD, PD and LGD rates) and other inputs used therein, including macro-economic factors</p> <p>c) We selected a sample of loan contracts and tested the operating effectiveness of controls</p>

	<p>expected credit loss involves use of judgements and estimates, such as determination of probability of default (PD), determination of the staging, loss given default (LGD), exposure at default (EAD), estimating Management overlay for economic uncertainty expected to result from COVID 19 pandemic, forward looking information and macro-economic factors, in computing the ECL on loans and investments.</p>	<p>over computation of ECL provision, the key assumptions and inputs used therein, through inspection of evidence of performance of these controls or independently re-performing the control.</p> <p>d) Through a sample of loan contracts, we performed substantive procedures, including test of details to evaluate adequacy of ECL provisioning made.</p>
<p>2</p>	<p><b>Accounting for Business Combination – Reverse merger of Dewan Housing Finance Corporation Limited as per the scheme approved by NCLT</b></p> <p><b>Purchase Consideration: Rs. 33,841.16 crores</b>  <b>Net Value of Assets Acquired: Rs. 34,013.79 crores at September 30, 2021</b>  <b>Gain on Bargain Purchase: Rs. 172.63 crores</b></p> <p>Refer to the accounting policies in Note 2(a)(iii) and Note 56(A)(ii) to the consolidated financial statements.</p>	
	<p>During the year a component Piramal Capital Housing Finance Limited (PCHFL) (a wholly owned subsidiary of the Company) has acquired Dewan Housing Finance Limited (DHFL) under Section 31 of the Insolvency and Bankruptcy Code, 2016 vide Hon'ble National Company Law Tribunal ("NCLT") order dated On June 7, 2021.</p> <p>This component is audited by Other Auditors. The key audit matter provided below is as communicated by the Other Auditor:</p> <p>During the year ended 31 March 2022, Piramal Capital and Housing Finance Limited ('PCHFL') has been merged with Dewan Housing Finance Corporation Limited ('DHFL') with effect from 30 September 2021 in accordance with a resolution plan ('the Resolution Plan') approved by National Company Law Tribunal ('NCLT') in its order dated 7 June 2021 under Section 31 of the Insolvency and Bankruptcy Code, 2016 ('IBC') (hereinafter referred to as 'the business combination').</p> <p>The aforesaid business combination has been given effect to, in the component's financial statements, in line with the accounting principles prescribed for</p>	<p>1) As principal auditors, we had issued written communication to the auditor of the component ('Other Auditors') for key audit procedures to be performed by them.</p> <p>In accordance with such communication, the procedures performed by the Other Auditors, as reported by them, have been provided below –</p> <p>The Component Auditors procedures related to the business combination along with the involvement of their valuation specialists included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Read and obtained an understanding of the Resolution Plan approved by the National Company Law Tribunal and National Company Law Appellate Tribunal;</li> <li>• Involved IBC subject matter experts to ascertain the implications of certain clauses of the Resolution Plan that involved significant management judgement and estimates, as detailed under the description of the matter and to review opinions obtained by the management from legal experts in respect of the cases filed against the Resolution Plan.</li> <li>• Obtained and reviewed the external valuation report, considered by the Company for fair values of acquired assets</li> </ul>

<p>reverse acquisition business combinations under Ind AS 103, Business Combinations, ('Ind AS 103') and other applicable Indian Accounting Standards, except to the extent as described in aforesaid note as per the accounting treatment prescribed in the Resolution Plan approved by the NCLT.</p> <p>Ind AS 103 read with the Resolution Plan, required recognising acquired identifiable assets (including intangible assets) and liabilities (including contingent liabilities) of DHFL at fair value in the merged financial statements.</p> <p>Accounting for aforesaid acquisition included a number of significant and complex judgments and management estimates including but not limited to:</p> <ul style="list-style-type: none"> <li>• Determination of accounting acquirer and accounting acquiree;</li> <li>• Determination of the fair value of consideration transferred;</li> <li>• Allocation of the purchase consideration between identifiable assets and liabilities, using various valuation models which were applied to identify and measure the fair value of assets acquired and liabilities assumed;</li> <li>• Further, based on the opinion of legal and tax experts, the component has not recognized certain deferred tax assets and has recognized a contingent liability pertaining to income tax obligation of DHFL, while determining the fair value of assets and liabilities acquired by way of the business combination.</li> <li>• Evaluation of legal cases filed against the approved Resolution Plan and assessment of their possible impact on the accounting treatment of the business combination.</li> </ul> <p>Given the complexity and judgement involved in the accounting treatment of the reverse acquisition business combination, fair value measurements</p>	<p>and liabilities and verified the mathematical accuracy of such report;</p> <ul style="list-style-type: none"> <li>• Assessed the professional competence, experience and objectivity of the management's legal, valuation and tax experts involved.</li> <li>• Involved our valuation specialists in assessing the appropriateness of the valuation models and assumptions used in aforesaid valuation report prepared by management's expert;</li> <li>• Reviewed and challenged the reasonableness of key assumptions in purchase price allocation to the acquired assets and liabilities;</li> <li>• Involved our tax experts to ascertain the tax implications of the Resolution Plan and to review opinions obtained by the management from tax experts in respect of non-recognition of deferred tax assets/recognition of contingent tax liability as detailed in the description of the matter.</li> <li>• Evaluated the adequacy of component's financial statements, including disclosures of key assumptions and judgements made in the component's financial statements in accordance with applicable accounting standards.</li> </ul> <p>2) Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors with respect to Accounting for business combination:</p> <ul style="list-style-type: none"> <li>• Reviewing the written summary of the audit procedures performed by the Other Auditors and the conclusion reached in respect of identification of assets acquired and liabilities assumed, allocating the purchase consideration to the identified assets acquired and liabilities assumed, appropriateness and reasonableness of the significant judgements and estimates applied by the management for the purpose of fair valuation process.</li> <li>• We read through the resolution plan submitted by the Group and approved by the NCLT vide its order dated June 7, 2021, as obtained from the management.</li> <li>• Held discussions with the Component's Management along with internal fair valuation specialists to understand the key assumptions and other inputs used for the</li> </ul>
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	<p>and magnitude of the acquisition made by the component, this matter has been considered of most significance and hence, the same has been considered as a key audit matter in the current year audit.</p>	<p>purpose of fair valuation of the identified assets and liabilities assumed and obtained understanding of management's assessment of reasonability of assumptions used in the working.</p> <ul style="list-style-type: none"> <li>• Evaluating appropriateness and adequacy of disclosures in accordance with the applicable accounting standards.</li> <li>• Discussion with the Other Auditors on their evaluation of events up to the date of the audit report and obtaining communication in this regard.</li> </ul>
3	<p><b>Information Technology (IT) systems and controls impacting financial reporting</b></p>	
	<p>The key audit matter provided below is as communicated by the Other Auditor:</p> <p>The IT environment of the component is complex and involves a number of independent and interdependent IT systems used in the operations of the component for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the component.</p> <p>Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.</p> <p>We have identified certain key IT systems ("in-scope" IT systems) which have an impact on the financial reporting process and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the component for processing financial transactions, the complexity of the IT architecture and its impact on the financial records and financial reporting process of the component.</p>	<p>1) As principal auditors, we had issued written communication to the auditor of the component ('Other Auditors') for key audit procedures to be performed by them.</p> <p>In accordance with such communication, the procedures performed by the Other Auditors, as reported by them, have been provided below -</p> <p>The Component Auditors procedures with respect to this matter included the following:</p> <ul style="list-style-type: none"> <li>• In assessing the controls over the IT systems of the component, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems.</li> <li>• We evaluated and tested relevant IT general controls and IT application controls of the "in-scope" IT systems identified as relevant for our audit of the component's financial statements and financial reporting process of the component.</li> <li>• On such "in-scope" IT systems, tested key IT general controls with respect to the following domains:             <ul style="list-style-type: none"> <li>a. Program change management, which includes that program changes are moved to production environment as per defined procedures and relevant segregation of environment is ensured.</li> <li>b. User access management, which includes user access provisioning, de-provisioning, access review, password</li> </ul> </li> </ul>



	<p>management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel.</p> <p>c. Program development, which comprises IT operations and system development life cycle for relevant in-scope applications, operating systems, and databases, which are relied upon for financial reporting.</p> <p>d. Other areas that were assessed under the IT control environment included backup management, business continuity, disaster recovery, incident management, interface, batch processing and monitoring.</p> <ul style="list-style-type: none"> <li>• We also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports, as applicable.</li> <li>• Where control deficiencies were identified, tested compensating controls or performed alternative audit procedures, where necessary.</li> </ul> <p>2) Additionally, as part of audit oversight procedures carried out by us over the work performed by the Other Auditors, we have reviewed the written summary of the audit procedures performed by the Other Auditors and the conclusion reached in respect of their testing of IT systems and Controls.</p>
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**Information Other than the Financial Statements and Auditor’s Report Thereon**

- The Parent’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor’s report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

## **Deloitte Haskins & Sells LLP**

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls 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 ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

- (a) We did not audit the financial statements of 27 subsidiaries, and, whose financial statements reflect total assets of Rs. 93,427.68 crores as at March 31, 2022, total revenues of Rs. 10,232.07 crores and net cash inflows amounting to Rs. 617.96 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 399.07 crores for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of an associate and two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.
- (b) We did not audit the financial information of 17 subsidiaries, whose financial information reflect total assets of Rs. 4,501.81 crores as at March 31, 2022, total revenues of Rs. 604.98 crores and net cash inflows/ (outflows) amounting to Rs. 70.26 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 251.56 crores for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of three associates and six joint ventures, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements .
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- 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 Parent to its directors during the year is in accordance with the provisions of section 197 read with Schedule V 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures;
  - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;



- iii) Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ('IEPF') by a subsidiary company incorporated in India.

<b>Due date for transferring amounts to IEPF</b>	<b>Unclaimed Dividend Amount (Rs. in Crore)</b>	<b>No. of days in delay as on reporting date (*)</b>
December 28, 2019	0.05	824
September 28, 2020	0.08	549
March 28, 2021	0.18	368
September 29, 2021	0.12	183
December 27, 2021	0.10	94

(\*) The above amounts are pending to transferred to IEPF as on date of this report.

- iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) (a) As stated in note 17 to the consolidated financial statements, the final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

(b) No interim dividend has been declared and paid by the Company during the year.

(c) As stated in note 17 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

**Deloitte  
Haskins & Sells LLP**

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent/ Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

<b>Name of the company</b>	<b>CIN</b>	<b>Nature of relationship</b>	<b>Clause Number of CARO report with qualification or adverse remark</b>
Piramal Fund Management Private Limited	U67190MH2005PTC154781	Subsidiary	Clause (vii)(a)

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

**Rupen K. Bhatt**  
**Partner**  
(Membership No. 046930)  
UDIN: 22046930AJRQLF1889

Place: Mumbai  
Date: May 26, 2022

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Piramal Enterprises Limited (hereinafter referred to as "the Holding Company" / "Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

**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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seventeen subsidiary companies, one associate company and two joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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



**Rupen K. Bhatt**  
**Partner**

(Membership No. 046930)  
UDIN: 22046930AJRQLF1889

Mumbai, May 26, 2022

**PIRAMAL ENTERPRISES LIMITED**  
Consolidated Balance Sheet as at March 31, 2022

	Note No.	As at March 31, 2022		As at March 31, 2021	
		Rs. in Crores		Rs. in Crores	
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
(a) Property, Plant & Equipment	3		3,322.41		2,732.86
(b) Capital Work in Progress	3		676.61		400.84
(c) Goodwill	40		1,294.70		1,114.28
(d) Other Intangible Assets	3		2,866.33		2,522.19
(e) Intangible Assets under development	3		511.42		234.82
(f) Right Of Use Assets	54		314.72		193.40
(g) Investment property	55		1,335.31		1,297.63
(h) Financial Assets:					
(i) Investments					
- Investments accounted for using the equity method	4(a)	5,732.69		4,316.85	
- Other Investments	4(b)	16,242.24		14,150.32	
(ii) Loans	5	40,339.89		27,387.67	
(iii) Other Financial Assets	6	250.94	62,565.76	519.52	46,374.36
(i) Deferred tax assets (Net)	7		1,367.91		937.24
(j) Other Non-Current Assets	8		1,305.27		1,443.82
<b>Total Non-Current Assets</b>			<b>75,560.44</b>		<b>57,251.44</b>
<b>Current Assets</b>					
(a) Inventories	9		1,533.01		1,299.23
(b) Financial Assets:					
(i) Investments	4(c)	2,881.59		3,562.09	
(ii) Trade Receivables	10	1,621.23		1,544.73	
(iii) Cash & Cash equivalents	11	6,440.16		5,719.01	
(iv) Bank balances other than (iii) above	12	744.59		1,305.71	
(v) Loans	13	8,978.04		5,045.61	
(vi) Other Financial Assets	14	1,070.42	21,736.03	605.99	17,783.14
(c) Other Current Assets	15		1,043.43		785.05
<b>Total Current Assets</b>			<b>24,312.47</b>		<b>19,867.42</b>
<b>Total Assets</b>			<b>99,872.91</b>		<b>77,118.86</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	16	47.73		45.11	
(b) Other equity	17	35,441.40		33,972.85	
(c) Non-controlling interests		1,347.78		1,121.00	
<b>Total Equity</b>			<b>36,836.91</b>		<b>35,138.96</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
(a) Financial Liabilities:					
(i) Borrowings	18	43,778.36		28,096.76	
(ii) Lease Liabilities	54	163.55		140.39	
(iii) Other Financial Liabilities	19	2.43	43,944.34	-	28,237.15
(b) Provisions	20		45.82		30.16
(c) Deferred tax liabilities (Net)	21		192.20		222.68
(d) Other Non-Current Liabilities	22		153.76		142.66
<b>Total Non-Current Liabilities</b>			<b>44,336.12</b>		<b>28,632.65</b>
<b>Current liabilities</b>					
(a) Financial Liabilities:					
(i) Borrowings	23	11,672.64		11,272.40	
(ii) Trade payables					
Total outstanding dues of Micro enterprises and small enterprises	60	53.29		32.49	
Total outstanding dues of creditors other than Micro enterprises and small enterprises		1,642.80		1,145.90	
(iii) Lease liabilities	54	88.41		47.51	
(iv) Other Financial Liabilities	24	1,167.10	14,624.24	277.23	12,775.53
(b) Other Current Liabilities	25		284.59		216.10
(c) Provisions	26		160.97		165.88
(d) Current Tax Liabilities (Net)	27		3,630.08		189.74
<b>Total Current Liabilities</b>			<b>18,699.88</b>		<b>13,347.25</b>
<b>Total Liabilities</b>			<b>63,036.00</b>		<b>41,979.90</b>
<b>Total Equity &amp; Liabilities</b>			<b>99,872.91</b>		<b>77,118.86</b>

The above Consolidated 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, May 26, 2022

For and on behalf of the Board of Directors

**Ajay G. Piramal**  
Chairman  
Mumbai, May 26, 2022

**Vivek Valsaraj**  
Chief Financial Officer

Mumbai, May 26, 2022

**Bipin Singh**  
Company Secretary

Mumbai, May 26, 2022

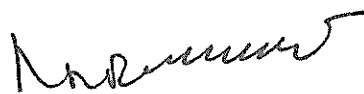


**PIRAMAL ENTERPRISES LIMITED**  
**Consolidated Statement of Profit & Loss for the year ended at March 31, 2022**

	Note No.	For the year ended March 31, 2022		For the year ended March 31, 2021	
		Rs. In Crores		Rs. in Crores	
Revenue from operations	29		13,993.30		12,809.35
Other Income (Net)	30		720.11		363.64
<b>Total Income</b>			<b>14,713.41</b>		<b>13,172.99</b>
<b>Expenses</b>					
Cost of materials consumed	31		934.05		1,412.20
Purchases of stock-in-trade	32		1,603.46		664.69
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	33		(6.52)		(155.30)
Employee benefits expense	34		2,135.01		1,650.47
Finance costs	35		4,479.87		4,208.53
Depreciation and amortization expense	3 & 54		665.78		560.88
Impairment on financial instruments (Including commitments)	48 (f)		696.07		9.91
Other expenses, (Net)	36		2,181.01		1,763.13
<b>Total Expenses</b>			<b>12,688.73</b>		<b>10,114.51</b>
<b>Profit before share of net profit of associates and joint ventures, exceptional items and tax</b>			<b>2,024.68</b>		<b>3,058.48</b>
Share of net profit of associates and joint ventures	4 (a)		652.88		338.43
<b>Profit after share of net profit of associates and joint ventures before exceptional items and tax</b>			<b>2,677.56</b>		<b>3,396.91</b>
Exceptional Items	37		(168.00)		58.86
<b>Profit after share of net profit of associates and joint ventures and before tax</b>			<b>2,509.56</b>		<b>3,455.77</b>
Less: Tax Expense					
Current Tax	51		934.77		377.79
Deferred Tax (Net)	51		(423.98)		406.83
Tax adjustment of earlier years	51		-		1,258.29
			<b>510.79</b>		<b>2,042.91</b>
<b>Profit for the year</b>			<b>1,998.77</b>		<b>1,412.86</b>
<b>Other Comprehensive Income / (Loss) (OCI):</b>					
<b>A. Items that will not be reclassified to profit or loss</b>					
(a) Changes in fair values of equity instruments through OCI	38		(20.39)		363.31
(b) Remeasurement of Post Employment Benefit plans	38		0.96		(3.69)
Less: Income Tax Impact on above	38 & 51		47.71		10.72
<b>B. Items that will be subsequently reclassified to profit and loss</b>					
(a) Deferred gains on cash flow hedge	38		21.38		23.31
(b) Exchange differences on translation of financial statements of foreign operations	38		111.38		(18.01)
(c) Gain on bargain purchase			-		7.43
(d) Share of other comprehensive expense of joint ventures accounted for using the equity method			(77.27)		-
Less: Income Tax Impact on above	38 & 51		(10.83)		3.78
<b>Other Comprehensive Income, net of tax expense</b>			<b>72.94</b>		<b>386.85</b>
<b>Total Comprehensive Income for the year, net of tax expense</b>			<b>2,071.71</b>		<b>1,799.71</b>
<b>Profit for the year attributable to:</b>					
- Owners of the Company			1,923.11		1,332.34
- Non-controlling Interests			75.66		80.52
<b>Other Comprehensive Income for the year attributable to:</b>					
- Owners of the Company			53.07		376.79
- Non-controlling Interests			19.87		10.06
<b>Total Comprehensive Income for the year attributable to:</b>					
- Owners of the Company			1,976.18		1,709.13
- Non-controlling Interests			95.53		90.58
<b>Earnings per equity share</b>	44				
Basic (in Rs.)			80.70		56.19
Diluted (in Rs.)			80.40		55.68


The above Consolidated 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, May 26, 2022


For and on behalf of the Board of Directors



**Ajay G. Pirani**  
Chairman  
Mumbai, May 26, 2022



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 26, 2022



**Brij Singh**  
Company Secretary  
Mumbai, May 26, 2022

**PIRAMAL ENTERPRISES LIMITED**  
**Consolidated Cash Flow Statement for the year ended March 31, 2022**

For the year ended  
**March 31, 2022**  
Rs. in Crores

For the year ended  
**March 31, 2021**  
Rs. in Crores

**A. CASH FLOW FROM OPERATING ACTIVITIES**

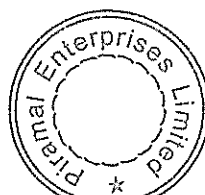
Profit before share of net profit of associates and joint ventures, exceptional items and tax	2,024.68	3,058.48
Adjustments for :		
Depreciation and amortisation expense	665.78	560.88
Provision written back	(114.24)	(4.71)
Finance Costs attributable to other than financial services operations	194.64	142.67
Interest Income on Current Investments, Loans and bank deposits	(36.81)	(39.34)
Measurement of financial assets at FVTPL	265.49	69.43
Loss/ (Gain) on Sale of Property Plant and Equipment	(1.58)	1.89
Loss / (Profit) on Sale on Non - Current Investment	(128.26)	10.13
Gain on conversion of joint venture into subsidiary	-	(26.31)
Amortisation of grants & Other deferred income	(39.53)	(28.75)
Fair Value gain on Contingent Consideration	-	(162.08)
Property, Plant & Equipment written off	-	3.43
Provision for Inventories	45.74	8.45
Impairment on financial instruments (including commitments)	696.07	9.91
Trade Receivables written off and Expected Credit Loss on Trade Receivables	12.03	9.48
Interest on income tax refund	(6.56)	-
Provision for Doubtful Advances	-	78.96
Unrealised foreign exchange loss	97.03	24.71
<b>Operating Profit Before Working Capital Changes</b>	<b>3,674.48</b>	<b>3,717.23</b>

**Adjustments For Changes In Working Capital :**

Adjustments for (increase) / decrease in operating assets		
- Trade receivables	(56.08)	(238.57)
- Other Current Assets	(137.97)	20.78
- Other Non Current Assets	4.31	6.05
- Other Financial Assets - Non Current	235.52	66.15
- Other Financial Assets - Loans - Non Current	7,175.99	3,736.05
- Inventories (including development rights)	(253.18)	(231.24)
- Other Financial Assets - Current	527.14	(0.30)
- Other Financial Assets - Loans - Current	(1,583.91)	(845.47)
- Amounts realised from / (invested in) Debentures and Alternate Investment Funds (Net)	(368.83)	516.62
- Amounts realised from / (invested in) Mutual Funds	311.26	(2,139.29)
Adjustments for increase / (decrease) in operating liabilities		
- Trade Payables	144.42	183.95
- Non - Current provisions	15.28	(38.86)
- Other Current Financial Liabilities	57.69	9.32
- Other Current Liabilities	45.06	47.50
- Current provisions	(26.73)	(1.01)
- Other Non-current Financial Liabilities	(4.25)	4.30
- Other Non-current Liabilities	15.42	2.50
- Interest accrued	(147.18)	(391.36)
<b>Cash Generated from Operations</b>	<b>9,628.44</b>	<b>4,424.35</b>
- Taxes Paid (Net of Refunds)	(878.85)	(759.81)
<b>Net Cash Generated from Operating Activities</b>	<b>8,749.59</b>	<b>3,664.54</b>

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Payments for Purchase of Property Plant and Equipment / Intangible Assets	(958.42)	(595.18)
Proceeds from Sale of Property Plant and Equipment / Intangible Assets	36.47	4.94
Payments for acquisition of Investment property (Refer Note 55)	(37.68)	(1,297.63)
Interest Received	36.81	36.55
Bank balances not considered as Cash and cash equivalents		
- Fixed deposits placed	(5,225.31)	(13,425.48)
- Matured	6,499.10	12,516.14
Other Bank Balances	53.12	-
Purchase of investment held at FVTOCI	-	(600.29)
Purchase of investment measured at FVTPL	-	(2.74)
Proceeds from sale of Associate	-	21.74
Dividend / redemption received from Associates / Joint Ventures	286.03	164.04
Investment in Associate / Joint Venture	(283.47)	(14.99)
Redemption from Associate / Joint Ventures	168.40	-
Loan repaid by Joint Venture	-	7.75
Consideration paid to DHFL (net of cash acquired) (Refer Note 56)	(1,918.00)	-
Amount paid on acquisition of subsidiaries (Refer Note 56)	(790.75)	(197.39)
Receipt of deferred cash consideration	-	600.29
Proceeds of asset (held for sale)	-	10.00
<b>Net Cash Used in Investing Activities</b>	<b>(2,133.70)</b>	<b>(2,772.25)</b>
<b>Exceptional Items</b>		
- Transaction cost paid	(92.48)	-
<b>Net Cash Used in Investing Activities</b>	<b>(2,226.18)</b>	<b>(2,772.25)</b>



**PIRAMAL ENTERPRISES LIMITED**  
**Consolidated Cash Flow Statement for the year ended March 31, 2022**

	For the year ended March 31, 2022 Rs. in Crores	For the year ended March 31, 2021 Rs. in Crores
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Non - Current Borrowings [Excludes Exchange Fluctuation Loss of Rs. 123.49 Crores (Previous Year Gain Rs. 57.39 Crores) on reinstatement of Foreign Currency Loan]		
- Receipts	7,370.75	20,631.79
- Payments	(13,297.67)	(19,551.44)
Proceeds from Current Borrowings [Excludes Exchange Fluctuation Loss of Rs. 2.61 Crores (Previous Year Gain Rs. 3.64 Crores) on reinstatement of Foreign Currency Loan]		
- Receipts	11,134.08	21,068.14
- Payments	(11,303.09)	(22,745.02)
Lease payments		
- Principal	(70.19)	(52.03)
- Interest	(12.96)	(14.77)
Proceeds from Compulsorily Convertible Debentures Issue	-	-
Proceeds from Compulsorily Convertible Preference share Issue	-	75.00
Coupon Payment on Compulsorily Convertible Debentures	(80.00)	(160.19)
Proceeds from Right Issue	199.67	-
Amount received towards issue of shares to NCI, net of transaction cost	-	3,146.59
Gains on forward contracts taken against the inflow from equity investment from Investors in Pharma segment	-	100.80
Finance Costs Paid (other than those attributable to financial services operations)	(130.97)	(111.54)
Dividend Paid	(797.59)	(315.75)
<b>Net Cash Generated from / (Used in) Financing Activities</b>	<b>(6,987.97)</b>	<b>2,071.58</b>
<b>Net Increase in Cash &amp; Cash Equivalents [(A)+(B)+(C)]</b>	<b>(464.56)</b>	<b>2,963.87</b>
<b>Cash and Cash Equivalents as at April 1</b>	<b>5,581.65</b>	<b>2,611.58</b>
<b>Less: Effect of exchange fluctuation on cash and cash equivalents</b>	<b>(2.05)</b>	<b>(4.22)</b>
<b>Add: Cash balance acquired</b>	<b>1,166.59</b>	<b>10.42</b>
<b>Cash and Cash Equivalents as at March 31</b>	<b>6,281.63</b>	<b>5,581.65</b>
<b>Cash and Cash Equivalents Comprise of :</b>		
Cash on Hand	5.88	0.16
Balance with Scheduled Banks in Current Accounts	2,884.60	5,163.76
Fixed Deposit with original maturity of less than 3 months	3,549.68	555.09
Bank Overdraft	(158.53)	(137.36)
	<b>6,281.63</b>	<b>5,581.65</b>

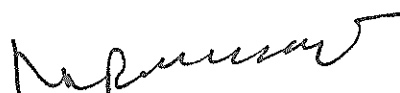
**Notes:-**

- During the year, the Company has allotted 1,15,89,400 equity shares (face value of Rs. 2 each) pursuant to the conversion of 1,15,894 Compulsorily Convertible Debentures.
- On October 01, 2021, Piramal Pharma Limited (subsidiary of the Company) has allotted 3,988,262 equity shares of face value Rs. 10 each fully paid-up in lieu of conversion of compulsory convertible preference shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) amounting to Rs. 75 crores.
- On October 04, 2021, Piramal Pharma Limited (subsidiary of the Company) has issued 35,755,025 equity shares as bonus shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments).
- After receiving necessary approvals from NCLT vide order dated June 07, 2021, Piramal Capital & Housing Finance Limited (a wholly-owned subsidiary of the Company) has discharged its obligation under the resolution plan by paying ₹ 34,250 crores on September 28, 2021 through cash consideration of Rs. 14,717.47 crores (of which Rs. 12,800 crores paid out of acquired cash) and issue of Debentures of Rs. 19,532.53 crores. (Refer Note 56).


The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

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




**Rupen K. Bhatt**  
Partner  
Membership Number: 046930  
Mumbai, May 26, 2022



**Ajay G. Piramal**  
Chairman  
Mumbai, May 26, 2022



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 26, 2022



**Bipin Singh**  
Company Secretary  
Mumbai, May 26, 2022

**PIRAMAL ENTERPRISES LIMITED**  
**Consolidated Statement of Changes in Equity for the Year ended March 31, 2022**

**A. Equity Share Capital (Refer Note 16):**

Particulars	Rs. in Crores
Balance as at April 1, 2020	45.11
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2021	45.11
Change in Equity Share Capital during the year (Refer Note 55)	2.620
Balance as at March 31, 2022	47.73

**B. Other Equity:**

Particulars	Attributable to the owners of Piramal Enterprises Limited											Non-controlling Interests			
	Reserves & Surplus														
	Equity Component of Compulsorily Convertible Debentures	Securities Premium	Capital Reserve	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Reserve Fund U/S 45-IC (1) of Reserve Bank of India Act, 1957	Reserve Fund U/S 29C of the HNB Act, 1957	Amalgamation adjustment reserve	Retained Earnings	Foreign Currency Translation Reserve		Other Items in OCI	Other equity	
Balance as at April 1, 2021	3,327.35	12,946.74	18.63	61.73	4.16	5,714.60	140.68	501.51	-	12,408.03	584.13	65.51	11.58	33,972.85	1,121.00
Additional non-controlling interests arising on issue of shares by the subsidiary company	-	-	-	-	-	-	-	-	-	(141.31)	-	-	-	(41.31)	141.31
Issue of Equity Shares during the period	-	71.01	-	-	-	-	-	-	-	1,922.11	-	-	-	71.01	-
Profit after tax for the year	-	-	-	-	-	-	-	-	-	0.84	-	-	-	1,923.11	75.66
Other Comprehensive Income/ (Loss), net of tax expense for the year	-	-	-	-	-	-	-	-	-	-	85.36	27.58	(77.27)	53.07	19.87
Tax on transfer of Pharma business to Piramal Pharma Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	(74.71)	-
Issue and conversion of Compulsorily Convertible Debentures into Equity Shares	(1,572.35)	1,535.03	-	-	-	-	-	-	-	3,149.16	-	-	-	(2.32)	-
Rights Issue of Equity Shares	-	199.37	-	-	-	-	-	-	-	2.16	-	-	-	199.37	-
Transfer on account of reverse merger (Refer Note 56)	-	-	-	-	-	-	-	-	-	-	-	-	-	227.93	-
Transfer to Reserve Fund U/S 45-IC (1) of Reserve Bank of India Act, 1957	-	-	-	-	(2.16)	-	85.06	-	-	(65.06)	-	-	-	-	-
Transfer to Reserve Fund U/S 29C of The HNB Act, 1957	-	-	-	-	-	-	105.15	-	-	(105.15)	-	-	-	-	-
Dividend Paid during the year	-	-	-	-	-	-	-	-	-	(797.59)	-	-	-	-	-
Balance as at March 31, 2022	-	14,742.15	116.53	61.73	2.00	5,714.60	235.74	3,445.65	(4,202.88)	16,334.02	670.49	93.09	(65.09)	35,441.40	(10.06)

**B. Other Equity (Contd.):**

Particulars	Attributable to the owners of Piramal Enterprises Limited											Non-controlling Interests			
	Reserves & Surplus														
	Equity Component of Compulsorily Convertible Debentures	Securities Premium	Capital Reserve	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Reserve Fund U/S 45-IC (1) of Reserve Bank of India Act, 1957	Reserve Fund U/S 29C of the HNB Act, 1957	Amalgamation adjustment reserve	Retained Earnings	Foreign Currency Translation Reserve		Other Items in OCI	Other equity	
Balance as at April 1, 2020	3,327.35	9,697.25	78.01	61.73	822.53	5,714.60	474.25	294.62	-	12,012.01	602.40	(308.26)	11.58	30,524.48	-
Issue of share to non-controlling interests by the subsidiary company	-	-	-	-	-	-	-	-	-	(821.15)	-	-	-	2,418.30	1,030.42
Profit/ (Loss) after tax for the year	-	3,249.49	-	-	-	-	-	-	-	1,322.34	-	-	-	3,332.34	80.52
Other Comprehensive Income/ (Loss), net of tax expense for the year	-	-	-	-	-	-	-	-	-	(2.93)	-	-	-	16.79	10.06
Gain on bargain purchase on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	(18.27)	373.77	-	369.36	-
Tax on transfer of Pharma business to Piramal Pharma Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	7.43	-
Transfer on account of reverse merger (Refer Note 56)	-	-	-	-	-	-	-	-	-	-	-	-	-	(68.81)	-
Transfer to Reserve Fund U/S 45-IC (1) of Reserve Bank of India Act, 1957	-	-	-	-	(618.37)	-	59.43	-	-	(288.50)	-	-	-	(48.81)	-
Transfer to Reserve Fund U/S 29C of The HNB Act, 1957	-	-	-	-	-	-	206.89	-	-	(99.43)	-	-	-	(296.50)	-
Dividend Paid during the year	-	-	-	-	-	-	-	-	-	(286.89)	-	-	-	-	-
Balance as at March 31, 2021	3,327.35	12,946.74	18.63	61.73	4.16	5,714.60	140.68	501.51	-	12,408.03	584.13	65.51	11.58	33,972.85	1,121.00

The above Consolidated Statement of Changes in Equity to be read in conjunction with accompanying notes

In terms of our report attached  
 For Deloitte Haskins & Sells LLP  
 Chartered Accountants

*Rupen K. Bhatt*

Rupen K. Bhatt  
 Partner  
 Membership Number: 046930  
 Mumbai, May 26, 2022

For and on behalf of the Board of Directors

*Alay C. Piramal*  
 Chairman  
 Mumbai, May 26, 2022

*Vivek Valsara*  
 Chief Financial Officer  
 Mumbai, May 26, 2022

**1. GENERAL INFORMATION**

Piramal Enterprises Limited (PEL) (including its subsidiaries) (together referred to as Group) is one of India's large diversified companies, with a presence in Pharmaceuticals and Financial Services.

In Pharmaceuticals business, 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 Group is also strengthening its presence in the Consumer Products segment in India.

In Financial Services, Group provides comprehensive financing solutions to various companies. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance, and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals - Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). The Group has also launched Distressed Asset Investing platform that invests in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. The Group also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge (CDPQ). The Group has long term equity investments in Shriram Group, a leading financial conglomerate in India.

PEL is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. It is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

**2a. SIGNIFICANT ACCOUNTING POLICIES**

**i) Basis of preparation**

**Compliance with Ind AS**

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

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

The Separate financial statements are presented in addition to the consolidated financial statements presented by the Group.

**Historical Cost convention**

The Consolidated financial statements have been prepared on the historical cost basis except for the following:

- a) certain financial instruments and contingent consideration - measured at fair value
- b) assets classified as held for sale - measured at fair value less cost to sell
- c) cash settled stock appreciation rights - measured at fair value
- d) plan assets of defined benefit plans, which are measured at fair value

**ii) Principles of consolidation and equity accounting**

**a) Subsidiaries:**

Subsidiaries are all entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

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

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

**b) Associates:**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see (d) below), after initially being recognised at cost. Wherever necessary, adjustments are made to financial statements of associates to bring their accounting policies in line with those used by the other members of group.

**c) Joint Arrangements:**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.





**PIRAMAL ENTERPRISES LIMITED**

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

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated balance sheet.

**d) Equity method:**

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

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy mentioned in Note 2a (viii) below.

**e) Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non controlling interests and any consideration paid or received is recognised within equity.

**iii) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

**Common control transactions**

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

- 1) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- 2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- 3) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- 4) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- 5) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.
- 6) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.



iv) (a) **Property, Plant and Equipment**

Freehold Land is carried at historical cost. All other Items of Property Plant & Equipments are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company & cost can be reliably measured.

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

**Depreciation**

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013 / estimated useful lives as determined by the management of respective subsidiaries based on technical evaluation. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The estimated useful lives of Property, Plant & Equipment are as stated below:

Asset Class	Useful life
Buildings*	3 years - 60 years
Roads	10 years
Plant & Equipment	3 - 20 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Motor Vehicles	4 - 8 years
Helicopter	20 years
Ships	13 years/28 Years
Furniture & fixtures	3 - 15 years

\*Useful life of leasehold improvements is as per lease period

iv) (b) **Non current assets held for sale**

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Noncurrent assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

v) **Intangible Assets**

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

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

**Research**

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

**Development**

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

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

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

Asset Class	Useful life
Brands and Trademarks	5 - 25 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 25 years
Computer Software (including acquired database)	2 - 9 years
Customer relationships	8 - 14 years

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

Certain trademarks are assessed as Intangible Assets with indefinite useful lives.

vi) **Goodwill**

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

Goodwill is carried at cost less accumulated impairment losses.

vii) **Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Cost of a investment property comprises its purchase price and any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss on disposal of an investment property is recognised in profit or loss.

viii) **Impairment of Assets**

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Consolidated Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

ix) **Financial instruments**

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

**Investments and Other Financial assets**

Classification:

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

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

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

For assets measured at fair value, gains and losses will 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 Group 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 Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

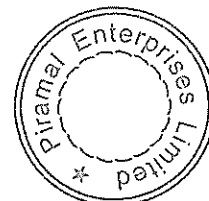
Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

**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 other comprehensive income (FVTOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):**

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

**Equity instruments**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated statement of profit and loss.

**Impairment of financial assets**

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

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. A favourable change for such assets create an impairment gain.

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.

In case of other than trade receivables, the expected credit loss is a product of exposure at default, probability of default and loss given default. The company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Company also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

- 1) Significant negative deviation in the business plan of the borrower
- 2) Internal rating downgrade for the borrower or the project
- 3) Current and expected financial performance of the borrower
- 4) Need for refinance of loan due to change in cash flow of the project
- 5) Significant decrease in the value of collateral
- 6) Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure (including off Balance Sheet commitments), the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default Assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

**Derecognition of financial assets**

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

**Foreign exchange gains and losses**

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



**Financial liabilities and equity instruments**

Classification as debt or equity

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

Equity Instrument

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

Compulsorily Convertible Debenture

Convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Financial liabilities

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

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

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

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

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

Foreign exchange gains and losses

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

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between 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.

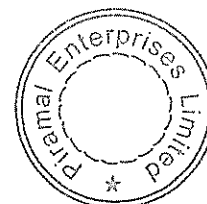
**Derivatives and hedging activities**

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).





**PIRAMAL ENTERPRISES LIMITED**

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

(ii) Derivatives that are not designated as hedges:

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

**Embedded derivatives**

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

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

**Offsetting Financial Instruments**

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

**x) 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.

**xi) Inventories**

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

**xii) Employee Benefits**

**(i) Short-term obligations**

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

**(ii) Other long-term employee benefit obligations**

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

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

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

**(iii) Post-employment obligations**

The Group operates the following post-employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme and other social security schemes in overseas jurisdictions

- Defined Benefit plans such as provident fund and Gratuity, Pension fund (in case of a subsidiary)

In case of Provident fund, contributions are made to a Trust administered by the Group, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

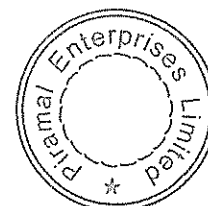
**Defined Contribution Plans**

The Group's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme and other social security schemes in overseas jurisdictions are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

In case of 401(k) contribution plan (in case of US subsidiaries), contribution by the Group is discretionary. Any contribution made is charged to the Statement of Profit and Loss.

**Defined Benefit Plan**

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



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

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

In case of an overseas subsidiary, where pension is classified as a Defined Benefit Scheme, assets are measured using market values and liabilities are measured using a Projected Unit Credit method and discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which benefits will be paid, and that have terms approximating to the terms of the related obligation. Shortfall, if any, is provided for in the financial statements.

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

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

**Bonus Plans** - The Group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**xiii) Provisions and Contingent Liabilities**

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

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

**xiv) Revenue recognition**

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

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

**Sale of Services:** In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. Advisory fees are accounted on an accrual basis in accordance with the Investment Management Agreement and Advisory Services Agreement.

In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Group recognises revenue on the basis of input method. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue/Advance from Customers) is recognised.

If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.

**Interest:** Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable. Penal / Default interest income is booked on receipt basis, any penal / default interest if not received is to be received / waived at the time of closure of Loan

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

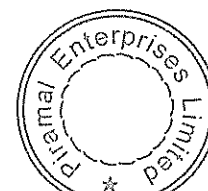
**xv) Foreign Currency Transactions**

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

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

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

Foreign currency differences arising from translation of Intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR.



xvi) **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.

xvii) **Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

xviii) **Leases**

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition. The Company's lease asset classes primarily consist of leases for land, buildings and IT assets.

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

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

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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

xix) **Taxes on Income**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

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

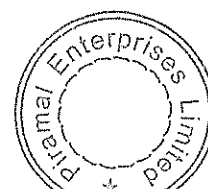
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.



**PIRAMAL ENTERPRISES LIMITED**

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

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

**xx) 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.

**xxi) 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.

**xxii) Segment Reporting**

The Chairman has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs. Interest income and expense are not allocated to respective segments (except in case of Financial Services segment).

**xxiii) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**xxiv) Share appreciation rights**

Liabilities for the group's share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the balance sheet.

**xxv) Securitization and direct assignment**

The Group transfers loans through securitisation and direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions for a fee, the Group recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit and loss and, correspondingly creates a service asset in balance sheet. The Group recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Group adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in Statement of Profit and Loss.

**xxvi) Standards issued but not yet effective**

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

**Ind AS 103 - Reference to Conceptual Framework**

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

**Ind AS 16 - Proceeds before intended use**

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

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

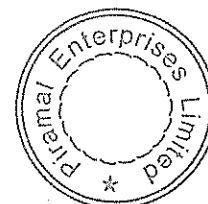
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs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

**Ind AS 109 - Annual Improvements to Ind AS (2021)**

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

**Ind AS 106 - Annual Improvements to Ind AS (2021)**

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



xxvii) **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 Division II, Schedule III, unless otherwise stated.

**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 loans, receivables, intangible assets, deferred tax assets and investments, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these Consolidated financial statements. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Group's best estimate of the recoverable amounts. As a result of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial statements and the Group will continue to monitor any changes to the future economic conditions. Also refer note 3. 10. 48 (a). 48 (f). 53.

ii) **Fair Valuation:**

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When Level 1 inputs are not available, the Group engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 53.

iii) **Impairment of Goodwill (Refer Note 40)**

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated. The recoverable amount is higher of the Value-in-Use and Fair Value Less Cost To Sell (FVLCTS). The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

iv) **Expected Credit Loss:**

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward-looking information.

The inputs used and process followed by the Group in determining the increase in credit risk have been detailed in Note 48(f).

v) **Deferred Taxes**

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

vi) **Functional Currency (Refer Note 48(d))**

Functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate. The Group assesses the factors as per Ind AS 21 in determining the functional currency of the Company and its subsidiaries. If there is any change in underlying transactions, events and conditions in the Company or its subsidiary, the Group reassesses the functional currency.

vii) **Assessment of Significant influence (Refer Note 39 (c))**

Irrespective of the voting rights in an entity, if the Company has a right to appoint Directors or participates in all significant financial and operating decisions of an Investee, there is an existence of significant influence and the investment is considered as an Associate.

viii) **Assessment of Joint control (Refer Note 39 (b))**

Irrespective of the voting rights in an entity, if a contractual arrangement requires unanimous consent from all the parties for the relevant activities and if there is a separation of the legal form of the structure, the arrangement is accounted as a Joint venture.

ix) **Impairment loss in investment property carried at cost:**

The Company conducts impairment reviews of Investment property, whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which base on future cash flows and a suitable discount rate in order to calculate the present value.



3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT						
	Opening as at April 31, 2021	Acquisitions (refer note 56)	Addition	Deletions/ Adjustments	Exchange Difference	As at March 31, 2022 (A)	Opening as at April 31, 2021	For the Year	Deletions / Adjustments	Exchange Difference	As at March 31, 2022 (B)	As at March 31, 2022 (A-B)	As at March 31, 2021
Property, Plant & Equipment	138.09	-	1.34	-	0.34	139.77	0.69	0.38	-	0.04	1.11	128.66	127.40
Land	1,089.20	374.31	164.06	-	10.74	1,657.28	17.35	0.35	-	0.33	187.52	1,450.30	952.44
Buildings	5.01	-	-	-	0.07	5.08	0.35	0.30	-	0.03	0.65	4.73	4.73
Plant & Equipment	2,621.79	28.22	361.13	(46.57)	37.69	3,002.26	1,037.64	284.55	(12.28)	15.08	1,325.23	1,674.93	1,563.85
Furniture & fixtures	77.87	0.16	8.79	(0.29)	0.76	87.29	42.59	9.91	(0.22)	0.36	52.64	34.65	35.28
Office Equipment	41.66	0.29	6.95	(0.04)	0.05	48.91	22.96	7.30	(0.03)	0.02	30.25	18.66	18.70
Ships	0.88	-	-	-	-	0.88	0.53	0.09	-	-	0.62	0.26	0.35
Helicopter ^	9.60	-	-	-	-	9.60	3.24	0.54	-	-	2.78	5.82	6.36
Motor Vehicles	11.86	0.02	-	(1.45)	0.02	10.47	5.74	1.44	(1.46)	0.01	5.73	4.74	6.12
<b>Total (I)</b>	<b>3,986.16</b>	<b>403.00</b>	<b>542.29</b>	<b>(48.35)</b>	<b>48.97</b>	<b>4,932.07</b>	<b>1,253.30</b>	<b>353.64</b>	<b>(13.99)</b>	<b>16.71</b>	<b>1,609.66</b>	<b>3,322.41</b>	<b>2,732.86</b>
Intangible Assets (Acquired)													
Customer relations*	126.80	-	-	-	3.94	130.74	44.11	11.75	-	1.11	86.97	73.77	82.69
Product-related Intangibles - Brands and Trademarks*	2,672.04	-	8.13	-	77.16	2,757.33	609.13	173.46	-	16.21	798.80	1,958.53	2,062.91
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights*	300.04	-	17.44	-	9.13	326.61	105.62	21.29	-	2.60	129.51	197.10	194.42
Computer Software (including acquired database)	130.48	-	44.66	-	1.09	176.23	59.44	20.75	-	0.45	80.64	95.59	71.04
Intangible Assets (Internally Generated)													
Product Know-how	139.93	405.62	38.05	-	(0.07)	583.53	28.80	13.87	-	(0.48)	42.19	541.34	111.13
<b>Total (II)</b>	<b>3,369.29</b>	<b>405.62</b>	<b>108.28</b>	<b>-</b>	<b>91.25</b>	<b>3,974.44</b>	<b>847.10</b>	<b>241.11</b>	<b>-</b>	<b>19.89</b>	<b>1,108.11</b>	<b>2,866.33</b>	<b>2,522.19</b>
<b>Grand Total (I + II)</b>	<b>7,355.45</b>	<b>808.62</b>	<b>650.57</b>	<b>(48.35)</b>	<b>140.22</b>	<b>8,906.51</b>	<b>2,100.40</b>	<b>594.76</b>	<b>(13.99)</b>	<b>36.60</b>	<b>2,717.77</b>	<b>6,188.74</b>	<b>5,255.05</b>

\* Material Intangible Assets as on March 31, 2022

Asset Class	Asset Description	Carrying Value as at March 31, 2022	Remaining useful life as at March 31, 2022
Product-related Intangibles - Brands and Trademarks	Brands and Trademarks	289.94	2 years to 15 years
Product-related Intangibles - Brands and Trademarks	Purchased Brands	1,798.77	16-21 years
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	Purchased Brands	41.02	6 years
	Purchased Brands	163.97	6 years

^ Depreciation for the year includes depreciation amounting to Rs. 7.88 Crores (Previous Year Rs. 8.38 Crores) on assets used for Research and Development locations at Ermore and Mumbai.

\* All immovable properties are held in the name of the Company except for certain assets which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited (wholly-owned subsidiary).

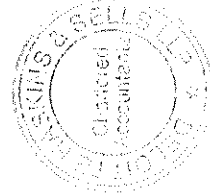
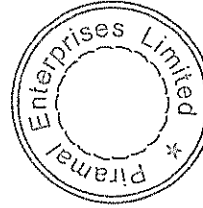
^ The Company has a 25% share in joint ownership of Helicopter

Considering internal and external sources of information, the Group has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Group has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider (a) reassessment of the discount rates, (b) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis.

The carrying amount of the intangible assets represent the Group's best estimate of the recoverable amounts.

Refer Note 28 B for the contractual capital commitments for purchase of Property, Plant & Equipment

Refer Note 43 for the assets mortgaged as security against borrowings



**PIRAMAL ENTERPRISES LIMITED**

**3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

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

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

\*Above disclosure includes entities in the Group having balance of more than 10% of total capital work in progress.

Project wise details of CWIP project whose completion is overdue or has exceeded its cost compared to its original plan. ^\*

Capital work in-progress (CWIP)	Rs. In Crores			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
Projects in progress				Total
1. Project 1	-	131.68	-	131.68
2. Project 2	64.11	-	-	64.11
3. Project 3	19.36	-	-	19.36

^ Above disclosure includes material projects which are delayed from its original planned cost or time

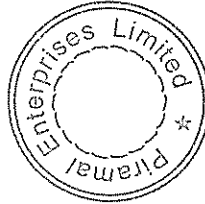
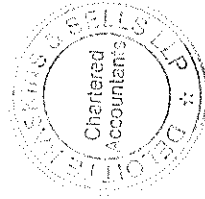
\* Delays in project is mainly on account of COVID pandemic

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

Assets under Development (IAUD) *	Rs. In Crores			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
a. Projects in progress	284.62	40.91	34.56	80.74
				Total
				420.83

\*Above disclosure includes entities in the Group having balance of more than 10% of total Intangibles under development.

^ There are no material projects which are delayed from its original planned cost or time.



3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT		
	Opening as at April 1, 2020	Additions \$	Deletions/ Adjustments	Exchange Difference	As at March 31, 2021 (A)	Opening as at April 1, 2020	For the Year #	Deletions / Adjustments	Exchange Difference	As at March 31, 2021 (B)	As at March 31, 2020
<b>Property, Plant &amp; Equipment</b>											
Land Freehold	16522	16,38	(1,00)	5,49	128,09	0,40	0,24	-	0,05	0,69	104,82
Buildings	99,44	109,92	(15,11)	(3,65)	1,099,40	111,01	32,82	(6,64)	0,07	137,26	887,23
Roads	4,68	-	-	0,12	5,01	1,54	0,36	-	0,05	2,35	2,94
Plant & Equipment	2,183,47	474,11	(99,65)	3,89	2,621,79	821,33	241,77	(24,06)	(1,10)	1,037,94	1,583,85
Furniture & fixtures	74,55	5,03	(1,73)	(0,01)	77,87	33,76	9,74	(1,15)	0,24	42,59	40,79
Office Equipment	39,00	5,86	(3,19)	(0,01)	41,66	19,10	5,89	(2,03)	-	22,96	19,90
Ships	0,88	-	-	-	0,88	0,44	0,09	-	-	0,53	0,44
Helicopter ^	9,60	-	-	-	9,60	2,70	0,54	-	-	3,24	6,36
Motor Vehicles	12,09	0,01	(0,30)	0,06	11,86	4,35	1,41	(0,04)	0,02	5,74	7,74
<b>Total (I)</b>	<b>3,427,93</b>	<b>6,13,51</b>	<b>(60,90)</b>	<b>9,90</b>	<b>3,986,16</b>	<b>995,03</b>	<b>292,86</b>	<b>(35,92)</b>	<b>(0,67)</b>	<b>1,293,30</b>	<b>2,432,90</b>
<b>Intangible Assets (Acquired)</b>											
Customer relations*	131,24	-	-	(4,44)	126,80	34,65	10,80	-	(1,34)	44,11	96,59
Product-related Intangibles - Brands and Trademarks**	2,749,69	-	-	(77,65)	2,672,04	481,19	141,64	-	(13,70)	609,13	2,260,50
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights*	305,31	3,16	-	(8,43)	300,04	90,02	17,52	-	(1,92)	105,62	215,29
Computer Software (Including acquired database)	70,83	62,67	(3,09)	0,07	130,48	44,77	17,51	(3,09)	0,25	59,44	26,06
Intangible Assets (Internally Generated)	64,62	72,36	(2,32)	5,27	139,93	9,21	19,60	(1,04)	1,03	38,80	55,41
<b>Total (II)</b>	<b>3,321,69</b>	<b>1,38,19</b>	<b>(5,41)</b>	<b>(65,16)</b>	<b>3,389,39</b>	<b>659,84</b>	<b>207,08</b>	<b>(4,13)</b>	<b>(15,69)</b>	<b>847,10</b>	<b>2,552,19</b>
<b>Grand Total (I + II)</b>	<b>6,749,62</b>	<b>751,50</b>	<b>(66,39)</b>	<b>(79,28)</b>	<b>7,355,45</b>	<b>1,654,87</b>	<b>499,94</b>	<b>(39,05)</b>	<b>(16,35)</b>	<b>2,100,40</b>	<b>5,094,75</b>

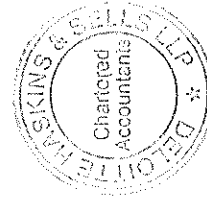
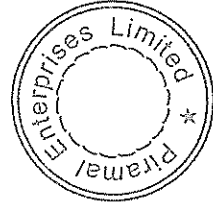
\* Material Intangible Assets as on March 31, 2021

Asset Class	Carrying Value as at March 31, 2021	Carrying Value as at March 31, 2020	Remaining useful life as on March 31, 2020
Product-related Intangibles - Brands and Trademarks	293,46	325,27	3 years to 12 years
Product-related Intangibles - Brands and Trademarks	1,736,77	1,901,18	17 to 22 years
Customer Relations	47,52	57,41	7 years
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	169,68	199,26	7 years

# Depreciation for the year includes depreciation amounting to Rs. 8.28 Crores (Previous Year Rs. 9.23 Crores) on assets used for Research and Development locations at Emnare 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.

^ The Company has a 25% share in joint ownership of Helicopter



**PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

During internal and external sources of information, the Group has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Group has estimated the recoverable amount of the intangible assets based on 'value in use' method. Financial projections on the basis of which the future cash flows have been estimated consider (a) reassessment of the discount rates, (b) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis.

Carrying amount of the intangible assets represent the Group's best estimate of the recoverable amounts.

Note 28 B for the contractual capital commitments for purchase of Property, Plant & Equipment

Note 43 for the assets mortgaged as security against borrowings

Amounts include additions through business combination

	Amount (Rs in Crores)
<b>Property, Plant &amp; Equipment</b>	
Motor Vehicle	18.38
Equipment	99.45
Tools & fixtures	166.62
Leasehold Intangible	0.57
Intangible Assets (Acquired)	285.35
Goodwill	10.16
<b>Total</b>	<b>295.51</b>

Work in-progress (CWIP)*	Amount in CWIP for a period of			Total
	Less than 1 year	1 to 2 years	2 to 3 years	
As at 31.03.2021	173.62	58.28	28.83	89.90
As at 31.03.2020	-	-	-	350.63

Work in-progress includes entities in the Group having balance of more than 10% of total capital work in progress.

For the period ending 31.03.2021, the Group has disclosed the details of CWIP project whose completion is overdue or has exceeded its cost compared to its original plan. ^\* ^

Work in-progress (CWIP)	To be completed in			Total
	Less than 1 year	1 to 2 years	More than 3 years	
As at 31.03.2021	-	126.95	-	126.95
As at 31.03.2020	-	30.44	-	30.44

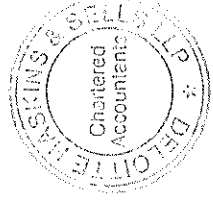
Work in-progress includes material projects which are delayed from its original planned cost or time in project is mainly on account of COVID pandemic

For the period ending 31.03.2021, the Group has disclosed the details of Intangible Assets under Development (IAUD) as at March 31, 2021. ^

Intangible Assets under Development (IAUD)*	Amount in IAUD for a period of			Total
	Less than 1 year	1 to 2 years	More than 3 years	
As at 31.03.2021	51.00	48.85	46.64	198.19
As at 31.03.2020	-	-	-	51.59

Intangible Assets under Development includes entities in the Group having balance of more than 10% of total Intangibles under development.

For the period ending 31.03.2021, the Group has disclosed the details of Intangible Assets under Development (IAUD) as at March 31, 2021. ^



4 (a) Investments accounted for using the equity method

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	(Rs. in crores)	Quantity	(In Rs. crores)
<b>Investments in Equity Instruments:</b>				
<b>A. In Joint Ventures (Unquoted) - At Cost:</b>				
i. Convergence Chemicals Private Limited				
Interest as at April 1	-	-	3,57,05,100	37.53
Add - Share of profit for the year	-	-	-	14.62
Less - Share of unrealised profit on closing stock	-	-	-	(10.70)
Add - Share of other comprehensive income for the year	-	-	-	*
Less - De-recognised on conversion into subsidiary (Refer note 56(B)(ii))	-	-	-	(41.45)
ii. Shrilekha Business Consultancy Private Limited				
Interest as at April 1	6,22,34,605	3,700.50	6,22,34,605	3,461.34
Add - Share of profit for the year	-	384.43	-	239.16
Less - Dividend received	-	(58.81)	-	-
		4,026.12		3,700.50
iii. India Resurgence ARC Private Limited				
Interest as at April 1	5,40,00,000	52.03	5,40,00,000	51.36
Add - Share of profit / (loss) for the year	-	31.52	-	0.67
		83.55		52.03
iv. India Resurgence Asset Management Business Private Limited				
Interest as at April 1	2,00,00,000	5.00	2,00,00,000	5.00
Add - Share of profit for the year	-	0.94	-	-
		5.94		5.00
v. Piramal Ivanhoe Residential Equity Fund 1				
Interest as at April 1	11,52,880	142.87	11,52,880	139.82
Less: Addition / (Redemption) during the year	(11,52,880)	(119.70)	-	-
Add - Share of profit for the year	-	31.07	-	3.05
Less - Gain on redemption of investments	-	(54.24)	-	-
		0.00		142.87
vi. India Resurgence Fund Scheme II				
Interest as at April 1	1,70,18,561	204.32	1,87,20,819	193.75
Add - Investment / (Redemption) during the year	66,57,100	66.56	(17,02,258)	(17.03)
Add - Share of profit for the year	-	72.46	-	48.36
Less - Gain on redemption of investments	-	(57.48)	-	-
Less - Dividend received	-	-	-	(20.76)
		285.86		204.32
vii. India Resurgence ARC Trust I				
Interest as at April 1	4,86,851	43.69	5,39,500	53.95
Less - Redemption during the year	(4,86,851)	(48.69)	(52,649)	(5.26)
Add - Share of profit for the year	-	24.47	-	-
Less - Gain on redemption of investments	-	(24.47)	-	-
		-		48.69
viii. Asset Resurgence Mauritius Manager				
Interest as at April 1	95,445	2.98	95,445	5.11
Add - Share of profit/(loss) for the year	-	24.91	-	(2.13)
		27.89		2.98
ix. Piramal Structured Credit Opportunities Fund				
Interest as at April 1	4,601	50.78	3,579	36.01
Add - Investment during the year	11,773	115.14	1,022	14.91
Add - Share of profit for the year	-	9.64	-	5.56
Less - Dividend received	-	(9.44)	-	(5.70)
		166.12		50.78
x. Pramerica Life Insurance Company Limited (erstwhile DHFL Pramerica Life Insurance Company Limited)				
Interest as at April 1	-	-	-	-
Add - Investment during the year	-	1,020.23	-	-
Add - Share of profit/(loss) for the year	-	14.42	-	-
Add - Share of other comprehensive income/(expense) for the year	-	(77.27)	-	-
		957.38		-
<b>Total (A)</b>		<b>5,552.86</b>		<b>4,207.17</b>
<b>B. In Associates :</b>				
<b>Unquoted - At Cost:</b>				
i. Allergan India Private Limited				
Interest as at April 1	39,20,000	109.67	39,20,000	194.37
Add - Share of profit for the year	-	59.07	-	39.84
Add - Share of other comprehensive income for the year	-	*	-	*
Less - Dividend received	-	(90.65)	-	(124.54)
		78.09		109.67
ii. Shriram Capital Limited				
Interest as at April 1	1,000	0.01	1,000	0.01
		0.01		0.01
iii. Bluebird Aero Systems Limited				
Interest as at April 1	-	-	67,137	39.99
Add - Share of profit for the year	-	-	-	*
Add - Currency translation differences	-	-	-	*
Less - Disposed during the year	-	-	-	(39.99)
		-		-
iv. Yapan Blo Private Limited				
Interest as at April 1	-	-	-	-
Add - Investment during the year (Refer Note 39(d)(ii))	1,00,000	101.77	-	-
Add - Share of profit for the period	-	(0.04)	-	-
		101.73		-
<b>Total (B)</b>		<b>179.83</b>		<b>109.68</b>
<b>Total equity accounted investments (A+B)</b>		<b>5,732.69</b>		<b>4,316.85</b>

\* below rounding off norms adopted by the Group



4 (b) Investments

Non-Current Investments:

Particulars	As at March 31, 2022	As at March 31, 2021
	(Rs. in crores)	(Rs. in crores)
<b>Investments in Equity Instruments (fully paid-up)</b>		
<b>Other Bodies Corporate</b>		
Quoted - At FVTOCI:	1,436.48	1,456.07
	<b>1,436.48</b>	<b>1,456.07</b>
Unquoted - At FVTPL:	36.99	13.00
	<b>36.99</b>	<b>13.00</b>
<b>Investments in Preference Shares (fully paid-up)</b>		
Other Bodies Corporate - Quoted - At FVTPL:	32.32	-
Joint Venture -Unquoted - At FVTPL:	1.84	-
	<b>34.16</b>	<b>-</b>
<b>Investment in Debentures:</b>		
<b>Other Bodies Corporate :</b>		
<b>Quoted:</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost:	574.62	518.11
Redeemable Non-Convertible Debentures - At FVTPL	2,447.62	2,057.69
<b>Unquoted:</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost:	7,151.68	7,793.16
Less: Provision for Impairment based on Expected credit loss model	1,221.17	764.71
	<b>8,952.75</b>	<b>9,604.25</b>
<b>Investments in Alternative Investment Funds/Venture Capital Funds</b>		
In Others (Unquoted) - At FVTPL:	4,138.05	3,077.00
<b>Other Investments at FVTPL</b>		
Investments in Pass Through Certificates	251.00	-
Investments in Security Receipts	433.99	-
Investments in Venture Capital Fund (Unquoted)	15.88	-
<b>Other Investments at amortised costs</b>		
Investments in Bonds (Quoted)	662.27	-
Investments in Pass Through Certificates (Unquoted)	280.67	-
	<b>5,781.86</b>	<b>3,077.00</b>
<b>Total Non Current Investments</b>	<b>16,242.24</b>	<b>14,150.32</b>

**PIRAMAL ENTERPRISES LIMITED**

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

**4 (c). Current Investments:**

Particulars	As at March 31, 2022	As at March 31, 2021
	(Rs. in crores)	(Rs. in crores)
<b>Investment in Debentures:</b>		
<b>A. In Other Bodies Corporate</b>		
<b>Quoted :</b>		
Redeemable Non-Convertible Debentures - At FVTPL:	512.81	554.60
	<b>512.81</b>	<b>554.60</b>
<b>Unquoted:</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost	409.68	846.55
Less: Provision for Impairment based on Expected credit loss model	59.80	38.61
<b>Investment in Equity Instruments (fully paid-up):</b>		
Quoted - At FVTPL	6.66	-
Unquoted - At FVTPL	13.39	-
	<b>369.93</b>	<b>807.94</b>
<b>Investment in Mutual Funds (Quoted) - At FVTPL:</b>	1,972.13	2,155.20
	<b>1,972.13</b>	<b>2,155.20</b>
<b>Investments in Alternative Investment Funds/Venture Capital Funds - At FVTPL:</b>	26.72	44.35
	<b>26.72</b>	<b>44.35</b>
<b>Total Current Investments</b>	<b>2,881.59</b>	<b>3,562.09</b>

**Aggregate market value of quoted investments**

- Non-Current
- Current

5,120.99	4,031.87
2,484.94	2,709.80

**Aggregate gross carrying value of unquoted investments**

- Non-Current
- Current

12,342.42	10,883.16
449.79	890.90

**Aggregate amount of provision for impairment in value of investments**

1,280.97	803.32
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Refer Note 43 for Investments mortgaged as security against borrowings.

**Details of Total Investments:**

**(i) Financial assets carried at fair value through profit or loss (FVTPL)**

- Mandatorily measured at FVTPL
- Equity Instruments - Equity Shares
- Mutual Funds
- Debentures
- Alternative Investment Fund
- Other Investments

57.04	13.00
1,972.13	2,155.20
2,960.43	2,612.29
4,164.77	3,121.35
735.03	-
<b>9,889.39</b>	<b>7,901.84</b>

**(ii) Financial assets carried at amortised cost**

- Debentures
- Other Investments

6,855.02	8,354.50
942.94	-
<b>7,797.96</b>	<b>8,354.50</b>

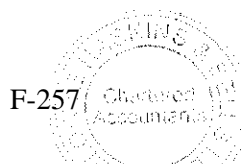
**(iii) Financial assets measured at FVTOCI**

- Equity Instruments - Equity Shares

1,436.48	1,456.07
<b>1,436.48</b>	<b>1,456.07</b>

**Total**

<b>19,123.83</b>	<b>17,712.41</b>
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**PIRAMAL ENTERPRISES LIMITED**  
Notes to the Consolidated financial statements for the year ended March 31, 2022

	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>5. LOANS - NON-CURRENT</b>				
<b>LOANS (SECURED AND CONSIDERED GOOD) - AT AMORTISED COST</b>				
Term Loans	30,181.73		24,494.99	
Less: Provision for expected credit loss	(553.76)		(614.18)	
		29,627.97		23,880.81
<b>Inter Corporate Deposits Receivables (Secured) - Credit Impaired</b>				
Inter Corporate Deposits	78.95		92.78	
Less: Provision for expected credit loss	(50.00)		(50.00)	
		28.95		42.78
<b>LOANS (SECURED AND CONSIDERED GOOD) - AT FVTPL</b>				
Term Loans	2,987.06		1,511.42	
		2,987.06		1,511.42
<b>LOANS (SECURED AND CREDIT IMPAIRED) - AT AMORTISED COST</b>				
Term Loans	5,981.04		1,401.74	
Less: Provision for expected credit loss	(873.31)		(709.52)	
		5,107.73		692.22
<b>LOANS (UNSECURED AND CONSIDERED GOOD) - AT AMORTISED COST</b>				
Term Loans	301.23		31.48	
Less: Provision for expected credit loss	(12.38)		(11.29)	
		288.85		20.19
<b>LOANS (SECURED AND SIGNIFICANT INCREASE IN CREDIT RISK) - AT AMORTISED COST</b>				
Term Loans	2,757.08		1,500.77	
Less: Provision for expected credit loss	(508.22)		(263.93)	
		2,248.86		1,236.84
<b>LOANS (UNSECURED AND SIGNIFICANT INCREASE IN CREDIT RISK) - AT AMORTISED COST</b>				
Term Loans	0.10		-	
Less: Provision for expected credit loss	0.00		-	
		0.10		-
<b>LOANS (UNSECURED AND CREDIT IMPAIRED) - AT AMORTISED COST</b>				
Term Loans	56.82		-	
Less: Provision for expected credit loss	(8.77)		-	
		48.05		-
Loans to Employees		2.32		3.41
<b>TOTAL</b>		<b>40,339.89</b>		<b>27,387.67</b>

Loans or Advances in the nature of loans granted to promoters, directors, KMPs and related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) Repayable on demand - Nil (Previous year : Nil)

(b) Without specifying any terms or period of repayment - Nil (Previous year : Nil)

	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>6. OTHER FINANCIAL ASSETS - NON-CURRENT</b>				
Bank deposits with more than 12 months maturity		2.43		35.93
Unbilled revenue #		75.07		58.18
Security Deposits		173.44		425.41
<b>TOTAL</b>		<b>250.94</b>		<b>519.52</b>

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

	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>7. DEFERRED TAX ASSETS (NET)</b>				
<b>(a) Deferred Tax Assets on account of temporary differences</b>				
- Measurement of financial assets at amortised cost / fair value	235.35		105.38	
- Provision for expected credit loss on financial assets (including commitments)	853.32		704.89	
- Other Provisions	12.10		11.32	
- Receivable on assigned loans	32.61		-	
- Unused Tax Credit/Losses	302.16		221.05	
- Amortisation of expenses which are allowed in current year	0.14		0.19	
- Expenses that are allowed on payment basis	38.35		26.49	
- Recognition of lease rent expense	2.27		1.35	
- Unrealised profit margin on inventory	24.37		29.41	
- Deferred Revenue	21.72		35.68	
- Other temporary differences	19.85		17.99	
		1,542.24		1,153.75
<b>(b) Deferred Tax Liabilities on account of temporary differences</b>				
- Property, Plant and Equipment and Intangible assets	68.77		12.32	
- Measurement of financial liabilities at amortised cost	76.96		161.83	
- Unamortised processing fees	23.67		38.88	
- Fair value measurement of derivative contracts	-		0.16	
- Other temporary differences	4.93		3.32	
		174.33		216.51
<b>TOTAL (a-b)</b>		<b>1,367.91</b>		<b>937.24</b>

Deferred Tax Assets and Deferred Tax Liabilities of the respective entities have been offset as they relate to the same governing taxation laws.  
Refer Note 51 for movements during the year.

	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>8. OTHER NON - CURRENT ASSETS</b>				
Advance Tax [Net of Provision of 7,417.97 Crores as on March 31, 2022, (Previous year: Rs. 6,467.64 Crores)]		1,241.31		1,369.30
Advances recoverable		49.10		48.58
Unamortized distribution fees		3.21		7.79
Prepayments		0.03		0.07
Capital Advances		11.28		17.91
Pension Assets (Refer Note 41)		0.34		0.17
<b>TOTAL</b>		<b>1,305.27</b>		<b>1,443.82</b>

**PIRAMAL ENTERPRISES LIMITED**

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

	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. In Crores		Rs. In Crores	
<b>9. INVENTORIES</b>				
Raw and Packing Materials [includes In Transit of Rs. 21.15 crores as on March 31, 2022, (Previous year Rs. Nil Crores)]		628.38		463.25
Work-in-Progress		340.51		325.82
Finished Goods		124.40		155.80
Stock-in-trade				
[Includes In Transit of Rs. 4.43 Crores as on March 31, 2022, (Previous year Rs. 3.84 Crores)]		314.78		274.93
Stores and Spares		124.94		79.43
<b>TOTAL</b>		<b>1,533.01</b>		<b>1,299.23</b>

1. Refer Note 43 for the inventories hypothecated as security against borrowings.
2. The cost of inventories recognised as an expense during the year was Rs. 2,638.18 crores (Previous year Rs. 2,015.84 Crores).
3. The cost of inventories recognised as an expense includes Rs. 1.31 Crores (Previous year expense of Rs. 19.57 Crores) in respect of write downs of inventory to net realisable value and a charge of Rs. 47.58 crores (Previous year Rs. 28.02 Crores) in respect of provisions for slow moving/ non moving/ expired/ near expiry products.
4. Refer Note 2(a)(xi) for policy for valuation of inventories.

	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. In Crores		Rs. In Crores	
<b>10. TRADE RECEIVABLES</b>				
(a) Secured - Considered Good	0.09		0.18	
(b) Unsecured - Considered Good	1,627.75		1,551.04	
Less: Expected Credit Loss on (b)	(6.61)		(6.49)	
(c) Unsecured - Considered Doubtful	59.55		48.94	
Less: Expected Credit Loss on (c)	(59.55)		(48.94)	
<b>TOTAL</b>		<b>1,621.23</b>		<b>1,544.73</b>

In the Pharmaceuticals Manufacturing and Services business, the credit period on sale of goods ranges from 7 to 150 days. The Group has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), the group performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

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

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

Ageing	Rs. In crores	
	Expected credit loss	
	As at March 31, 2022	As at March 31, 2021
Within due date	2.34	5.36
After Due date	63.82	50.07

As at March 31, 2022	Outstanding for following periods from the due date of payment							Total
	Not due	Less than 6 months	6 months - 1 year	1yr-2yr	2yr-3yr	More than 3 years		
Particulars								
Undisputed Trade receivables - considered good	1,351.71	215.21	41.43	5.28	13.96	-	1,627.59	
Undisputed Trade Receivables - considered doubtful	-	0.05	1.34	10.50	6.96	40.64	59.49	
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	
Disputed Trade Receivables - considered doubtful	0.07	-	-	-	-	-	0.31	
<b>TOTAL</b>	<b>1,351.78</b>	<b>215.26</b>	<b>42.77</b>	<b>15.78</b>	<b>21.16</b>	<b>40.64</b>	<b>1,687.39</b>	

As at March 31, 2021	Outstanding for following periods from the due date of payment							Total
	Not due	Less than 6 months	6 months - 1 year	1yr-2yr	2yr-3yr	More than 3 years		
Particulars								
Undisputed Trade receivables - considered good	1,280.95	215.05	35.07	19.21	0.93	-	1,551.21	
Undisputed Trade Receivables - considered doubtful	-	-	-	8.32	14.02	25.99	48.33	
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	
Disputed Trade Receivables - considered doubtful	0.34	0.03	-	0.24	-	-	0.61	
<b>TOTAL</b>	<b>1,281.29</b>	<b>215.08</b>	<b>35.07</b>	<b>27.77</b>	<b>14.95</b>	<b>25.99</b>	<b>1,600.15</b>	

**Movement in Expected Credit Loss Allowance:**

Particulars	(Rs. In crores)	
	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	55.43	46.44
Less: Bad debts written off	(1.06)	-
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	10.97	9.47
Add: Effect of translation differences	0.82	(0.48)
<b>Balance at the end of the year</b>	<b>66.16</b>	<b>55.43</b>

Refer Note 43 for the receivables hypothecated as security against borrowings.

	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. In Crores		Rs. In Crores	
<b>11. CASH AND CASH EQUIVALENTS</b>				
I. Balance with Banks				
- Current Account	2,884.60		5,163.76	
- Deposit Account (less than 3 months original maturity)	3,549.68		555.09	
II. Cash on Hand		6,434.28		5,718.85
		5.88		0.16
<b>TOTAL</b>		<b>6,440.16</b>		<b>5,719.01</b>



**PIRAMAL ENTERPRISES LIMITED**

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

	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>12. OTHER BANK BALANCES</b>				
I. Earmarked balances with banks				
- Undeclared Dividend Account	18.18		20.68	
- Others	174.24		500.65	
II. Margin Money		192.42		521.33
III. Deposit Account (more than 3 months original maturity but less than 12 months)		9.54		8.08
<b>TOTAL</b>		<b>744.59</b>		<b>1,305.71</b>

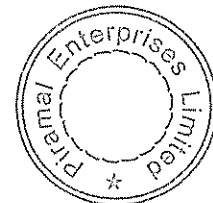
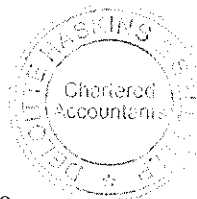
	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>13. LOANS - CURRENT</b>				
<b>Loans (Secured and Considered Good) - at amortised cost:</b>				
Term Loans	7,743.23		4,449.62	
Less: Allowance for expected credit loss	(225.42)		(209.93)	
		7,517.81		4,239.69
<b>Loans (Secured and Considered Good) - AT FVTPL</b>				
Term Loans	70.20	70.20	39.97	39.97
<b>Loans (Unsecured and considered good) - At Amortised Cost</b>				
Term Loans	514.97		742.25	
Less: Provision for expected credit loss	(14.98)		(24.50)	
		499.99		717.75
<b>Inter Corporate Deposits - Unsecured and Considered Good - At Amortised Cost</b>				
Inter Corporate Deposits	203.96			
Less: Allowance for expected credit loss	(9.79)			
		194.17		6.04
<b>Loans (Secured and Significant Increase in credit risk) - At Amortised Cost</b>				
Term Loans	733.77		56.32	
Less: Provision for expected credit loss	(52.54)		(14.96)	
		681.23		41.36
<b>Inter Corporate Deposits Unsecured- Credit Impaired</b>				
Inter Corporate Deposits	8.30		8.30	
Less: Allowance for expected credit loss	(8.30)		(8.30)	
<b>Loans (Unsecured and Significant Increase in credit risk) - At Amortised Cost</b>				
Term Loans	15.41			
Less: Allowance for expected credit loss	(0.77)			
		14.64		
<b>TOTAL</b>		<b>8,978.04</b>		<b>5,045.61</b>

	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>14. OTHER FINANCIAL ASSETS - CURRENT</b>				
Security Deposits		10.33		416.98
Advances recoverable		0.95		0.19
Derivative Financial Assets		34.97		17.07
Contingent consideration		-		0.08
Other Receivable from related parties (Refer note 42)		1.25		3.26
Unbilled revenues #		23.33		34.26
Interest Accrued		3.68		8.46
Others ^		995.91		125.69
<b>TOTAL</b>		<b>1,070.42</b>		<b>605.99</b>

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

^ Majorly includes receivables on account of securitisation transactions and interest strip asset on assignment

	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>15. OTHER CURRENT ASSETS</b>				
<b>Unsecured and Considered Good (Unless otherwise stated)</b>				
<b>Advances :</b>				
Unsecured and Considered Good	169.59		144.40	
Considered Doubtful	1.46		1.46	
	171.05		145.86	
Less : Provision for Doubtful Advances	(1.46)		(1.46)	
		169.59		144.40
Prepayments		98.71		80.31
Unamortized distribution fees		156.10		168.34
Balance with Government Authorities		612.14		387.66
Claims Receivable		6.89		4.34
<b>TOTAL</b>		<b>1,043.43</b>		<b>785.05</b>





**PIRAMAL ENTERPRISES LIMITED**

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

16. SHARE CAPITAL	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>Authorised Share Capital</b>				
400,000,000 (400,000,000) Equity Shares of Rs. 2/- each		80.00		80.00
3,000,000 (3,000,000) Preference Shares of Rs. 100/- each		30.00		30.00
24,000,000 (24,000,000) Preference Shares of Rs. 10/- each		24.00		24.00
105,000,000 (105,000,000) Unclassified Shares of Rs. 2/- each		21.00		21.00
		<b>155.00</b>		<b>155.00</b>
<b>Issued Capital</b>				
238,688,273 (226,138,301) Equity Shares of Rs. 2/- each		47.74		45.23
		<b>47.74</b>		<b>45.23</b>
<b>Subscribed and paid up</b>				
238,663,700 (225,538,356) Equity Shares of Rs. 2/- each (fully paid up)		47.73		45.11
<b>TOTAL</b>		<b>47.73</b>		<b>45.11</b>

(f) Movement in Equity Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
At the beginning of the year	22,55,38,356	45.11	22,55,38,356	45.11
Add: issued during the year (Refer Note 57 (b))	1,31,25,344	2.62	-	-
At the end of the year	<b>23,86,63,700</b>	<b>47.73</b>	<b>22,55,38,356</b>	<b>45.11</b>

There are no equity shares due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% Holding	No. of shares	% Holding
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal	7,88,77,580	33.05%	7,88,77,580	34.97%
Life Insurance Corporation of India	1,19,08,930	4.99%	1,86,82,087	8.28%

(iii) Details of shareholding of Promoters in the Company

Name of the Promoter	As at March 31, 2022		
	No. of shares	% of total shares	% change during the year
Ajay G. Piramal	1,23,296	0.05%	0.00%
Swati A Piramal	2,100	0.00%	0.00%
Anand Piramal	1,97,097	0.09%	-0.01%
Nandini Piramal	45,487	0.02%	0.00%
Lalita G. Piramal	1,234	0.00%	0.00%
Peter DeYoung	1,08,000	0.05%	0.00%
Anya Piramal DeYoung	48,000	0.02%	0.00%
Master Dev Piramal DeYoung	48,000	0.02%	0.00%
Ajay G. Piramal (Karta of Ajay G Piramal HUF)	6,507	0.00%	-0.01%
PRL Realtors LLP	89,73,913	3.76%	-0.22%
The Ajay G Piramal Foundation	9,86,731	0.41%	-0.03%
V3 Designs LLP	97,01,000	4.06%	-0.24%
Anand Piramal Trust	1,39,327	0.06%	0.00%
Nandini Piramal Trust	1,22,740	0.05%	0.00%
Aasan Corporate Solutions Private Limited	20,13,875	0.84%	-0.05%
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	24,05,828	1.01%	-0.09%
The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal)	7,88,77,580	33.05%	-1.92%
<b>TOTAL</b>	<b>10,38,00,715</b>	<b>43.49%</b>	<b>-2.57%</b>

Name of the Promoter	As at March 31, 2021		
	No. of shares	% of total shares	% change during the year
Ajay G. Piramal	1,23,296	0.05%	-
Swati A Piramal	2,100	0.00%	-
Anand Piramal	1,97,097	0.09%	-
Nandini Piramal	45,487	0.02%	0.00%
Lalita G. Piramal	1,234	0.00%	-
Peter DeYoung	1,08,000	0.05%	-
Anya Piramal DeYoung	48,000	0.02%	-
Master Dev Piramal DeYoung	48,000	0.02%	-
Ajay G. Piramal (Karta of Ajay G Piramal HUF)	6,507	0.01%	-
PRL Realtors LLP	89,73,913	3.98%	-
The Ajay G Piramal Foundation	9,86,731	0.44%	-
V3 Designs LLP	97,01,000	4.30%	-
Anand Piramal Trust	1,39,327	0.06%	0.00%
Nandini Piramal Trust	1,22,740	0.05%	-
Aasan Corporate Solutions Private Limited	20,13,875	0.89%	-
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	24,79,643	1.10%	0.00%
The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal)	7,88,77,580	34.92%	-
<b>TOTAL</b>	<b>10,38,74,530</b>	<b>46.06%</b>	<b>0.00%</b>

(iv) 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
Equity Shares of Rs. 2 each allotted as fully paid-up pursuant to merger of Piramal Phytocare Limited into the Company	2019-20	3,05,865



**PIRAMAL ENTERPRISES LIMITED**  
**Notes to the Consolidated financials statements for the year ended March 31, 2022**

17. OTHER EQUITY	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. In Crores		Rs. In Crores	
Capital Reserve		116.55		18.63
Securities Premium		14,742.15		12,946.74
Equity component of Compulsorily Convertible Debentures		-		1,527.35
Capital Redemption Reserve		61.73		61.73
Debenture Redemption Reserve		2.00		4.16
General Reserve		5,714.60		5,714.60
Foreign Currency Translation Reserve		670.49		584.13
Reserve Fund U/S 45-IC (1) of Reserve Bank of India Act, 1934		225.74		140.68
Reserve Fund u/s 29C of the NHB Act, 1987		2,445.65		501.51
FVTOCI - Equity Instruments		93.09		65.51
FVTOCI - Debt Instruments		(65.69)		11.58
Cash Flow Hedging Reserve		3.96		(11.80)
Amalgamation adjustment reserve		(4,902.88)		-
Retained Earnings		16,334.02		12,408.03
<b>TOTAL</b>		<b>35,441.40</b>		<b>33,972.85</b>

**Capital Reserve**

This reserve is outcome of business combinations carried out during the current year and previous years

**Securities Premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**Equity component of Compulsorily Convertible Debentures**

This is the equity component of the issued Compulsorily Convertible Debentures. The liability component is reflected in financial liabilities. (Refer note 18: Non-current borrowings and 24: Other financial liabilities (Included in current maturities of long-term debt). For terms of issue in relation to Compulsorily Convertible Debentures issued during the previous year, refer note 18.

**Capital Redemption Reserve**

This reserve was created as per requirements of Companies Act pursuant to buyback of equity shares and redemption of preference shares.

**Debenture Redemption Reserve**

The Debenture redemption reserve is created as per the requirements of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014. Debenture redemption reserve has not been created in respect of subsidiary which has privately placed debentures in accordance with the Companies (Share Capital and Debentures) Rules, 2014.

**General Reserve**

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Foreign Currency Translation Reserve**

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

**Reserve Fund u/s 45-IC (1) of Reserve Bank of India Act, 1934**

Reserve Fund is required to be maintained u/s 45-IC(1) of the Reserve Bank of India Act, 1934 for Non Banking Financial Companies. During the year ended March 31, 2022, the Group has transferred an amount of Rs. 85.06 Crores (Previous year Rs. 99.43 Crores), being 20% of profit after tax computed in accordance with IND AS.

**Reserve Fund u/s 29C of the NHB Act, 1987**

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended March 31 2022, the Company has transferred an amount of Rs. 105.15 Crores (Previous year Rs. 206.89 Crores), being 20% of profit after tax.

**FVTOCI - Equity Instruments**

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**FVTOCI - Debt Instruments**

The Group has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. These changes are accumulated within the FVTOCI debt investments reserve within equity. The Group transfers amounts from this reserve to Consolidated statement of profit & loss when the relevant debt securities are derecognised.

**Cash Flow Hedging Reserve**

The Group uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to Consolidated 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 48(e)).

On May 13, 2021, a Dividend of Rs. 33 per equity share (Face value of Rs. 2/- each) amounting to Rs. 787.59 Crores was recommended by the Board of Directors which was approved by the Shareholders in annual general meeting held on May 13, 2021.

On May 26, 2022, a Dividend of Rs. 33 per equity share (Face value of Rs. 2/- each) amounting to Rs. 787.59 Crores has been recommended by the Board of Directors which is subject to approval of the Shareholders. The amounts calculated are based on the number of shares likely to be entitled for dividend as estimated on May 26, 2022.

**Retained Earnings**

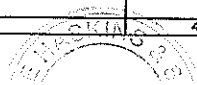
Retained earnings are the profits that Company has earned to date, less any dividends or other distributions paid to investors.

**Amalgamation Adjustment Reserve**

Amalgamation adjustment reserve has been created on account of business combination (refer note 56 A(ii)) done during FY 2021-22.

For movement in other equity during the year, refer Statement of Changes in Equity.

18. NON CURRENT BORROWINGS	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. In Crores		Rs. In Crores	
<b>Secured - at amortized cost</b>				
Term Loan From Banks				
Rupee Loans		7,664.11		10,556.09
Foreign Currency Non Repatriable Loans (FCNR)		569.40		547.55
Others		2,145.02		2,304.39
		10,378.54		13,408.03
Term Loan from Others		341.23		968.27
Securitized Borrowings		2,669.65		-
Redeemable Non Convertible Debentures		30,262.35		13,225.62
Redeemable Non Convertible Debentures		126.60		494.84
<b>TOTAL</b>		<b>43,778.36</b>		<b>28,096.76</b>



**PIRAMAL ENTERPRISES LIMITED**

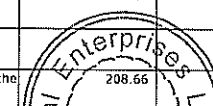
Notes to the Consolidated financial statements for the year ended March 31, 2022

**1B. Non Current Borrowings**

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

**A. Secured Term Loans from Banks**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months - 33.34%, repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	-	500.00
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 36 months from the date of first drawdown principal repayable in 12 months- 10.00%, repayable in 24 months-20% ,repayable in 36 months-70 %	-	266.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal quarterly installments commencing from 27 month of drawdown date	-	125.09
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve quarterly installments Commencing from 25th month from date of drawdown	-	375.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in half yearly installments Commencing from one year from date of drawdown	-	16.67
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in half yearly installments Commencing from one year from date of drawdown	-	8.33
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight equal quarterly installments commencing after the moratorium period of two years from the date of drawdown	-	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal quarterly installments commencing from 25 months from date of drawdown	29.31	62.73
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve quarterly installments Commencing from 25th month from date of drawdown	125.00	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal quarterly installments commencing from 21st month from date of drawdown	-	16.16
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in sixteen quarterly installments with a holiday period of 1 year from the drawdown date.	68.83	194.03
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal quarterly installments starting from 21st month from drawdown date	-	96.99
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight half yearly installments commencing after initial moratorium period of 12 months	27.48	72.37
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight half yearly installments commencing after 12th month from the drawdown date	24.44	31.73
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly installments commencing from 21st month from the date of drawdown	-	34.40
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight equal quarterly installments commencing after a moratorium of 2 years from the date of drawdown	-	108.88
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly installments commencing from 21st month from the date of drawdown	-	17.20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly installments commencing from 21st month from the date of drawdown	-	34.40
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in sixteen quarterly installments with a holiday period of 1 year from the drawdown date.	101.14	226.45
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly installments commencing from 21st month from the date of drawdown.	-	123.49
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in nineteen quarterly installments commencing after a moratorium period of 3 months from the date of drawdown	44.33	86.45
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in six equal half yearly installments with moratorium period of one year from drawdown date	61.00	161.24
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly installments commencing post moratorium period of 2 years from the drawdown date	-	22.91
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment in equal half yearly installments	12.50	37.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	-	300.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle in 18 quarterly instalment after moratorium period of 6 months from the date of 1st drawdown	888.90	1,333.34
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle in 12 quarterly instalment of Rs. 41.67 Crs after moratorium period of 6 months from the date of 1st drawdown	124.52	291.11
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle in 16 quarterly instalment of Rs. 6.23 Crs after moratorium period of 3 months from the date of 1st drawdown	49.72	124.88
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principal in 47 equal monthly instalment of Rs. 10.42 Crs each and 48th instalment of Rs. 10.50 Crs after drawdown.	85.62	211.41
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in six equal half yearly installments with moratorium period of one year from drawdown date	75.85	142.93
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 35 months from drawdown date	-	82.81
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principal in 47 equal monthly instalment of Rs. 10.42 Crs each and 48th instalment of Rs. 10.50 Crs after drawdown	96.45	221.83
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of Principle in 12 equal quarter instalment of Rs. 25 Crs after moratorium period of the 2 years from the date of drawdown	199.79	299.79
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principal in 12 equal quarterly instalment after moratorium period of one year from drawdown date	27.35	60.78
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principal in 16 equal quarterly instalment after moratorium period of three year from drawdown date	675.00	675.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 equal quarterly installments after the moratorium period of 6 months from the drawdown date	288.29	399.35
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months in 9 equal half yearly installments commencing after initial moratorium of 6 months	164.03	230.81
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan to be repaid in 19 equal quarterly installments starting from 1 quarter from date of first disbursement.	315.92	421.07
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 16 equal quarterly installments after a moratorium period of 1 year.	292.79	393.19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 equal quarterly installments after a moratorium period of 1 year.	416.52	499.88
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	-	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months from drawdown date	-	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	300.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 20 equal quarterly installments after the moratorium period of 24 months from the drawdown date	208.66	208.74



**PIRAMAL ENTERPRISES LIMITED**

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

First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly installments post moratorium period of 1 year.	1,374.71	2,500.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly installments post moratorium period of 1 year.	268.90	500.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly installments post moratorium period of 1 year.	268.90	500.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year.	374.63	499.99
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	-	230.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year.	87.48	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	65.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year.	46.86	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	110.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly installments.	328.12	350.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	167.00	167.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 20 equal quarterly installments.	597.38	750.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	230.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight half yearly installments after a moratorium period of 1 year from date of drawdown	149.96	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 20 equal quarterly installments.	449.89	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly installments with moratorium period of 6 months from date of drawdown	250.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 equal quarterly installments.	175.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eighteen quarterly installments of 8 crores each and last installment of 6 crores after a holiday period of 3 months from date of drawdown	150.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 28 equal quarterly installments.	241.07	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 14 quarterly installments with moratorium period of 18 months from date of drawdown	500.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	250.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 20 equal quarterly installments	200.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 12 equal quarterly installments	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 19 quarterly installments with moratorium period of 3 months from date of drawdown	75.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 16 quarterly installments with moratorium period of 6 months from date of drawdown	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 quarterly installments with moratorium period of 1 year from date of drawdown	200.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 19 quarterly installments with moratorium period of 3 months from date of drawdown	300.00	-
JP Morgan Term Loan - All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan from JP Morgan Chase Bank.	Repayment in 20 quarterly installments from Sept 2019 with lump sum payment at end of 5 years. Option to renew another 5 years.	769.34	837.07
JP Morgan Term Loan - All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan from JP Morgan Chase Bank.	Repayment in quarterly installments from June 2022 with lump sum payment at end of 5 years. Option to renew another 5 years.	189.49	-
PNC Term Loan - vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly installments from June 2019	13.90	19.13
City National Bank Florida Term Loan - vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly installments from Aug 2019	10.15	13.68
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly installments from Jun 2020	5.43	6.78
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly installments from Sep 2020	7.34	9.00
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly installments from Sep 2020	12.41	15.23
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly installments from Nov 2020	25.08	30.45
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly installments from Jan 2021	14.70	17.67
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly installments from Feb 2021	11.46	13.72
Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly installments from Feb 2021	5.85	7.00
Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly installments from Apr 2021	8.73	10.45
Corporate guarantee by PEL and First Ranking security over assets over Piramal Dutch Holdings N.V to ensure asset coverage ratio 1.05x	Repayable in 14 structured installments after moratorium of 18 months from the first draw down date	506.10	511.81
Charge on brands acquired on exclusive basis	Repayable in 13 quarterly installments of \$ 5.29 Mn starting March 2022, followed by a lumpsum payment of \$ 46.23 Mn in June 2025	831.46	840.80
1. Corporate Guarantee by PEL and 2. First ranking security over assets of PEL Pharma Inc.	Repayable in 14 structured installments after moratorium of 18 months from the first draw down date	289.20	292.46
First pari passu on entire FA (movable and immovable) of borrower, present and future. First charge on CA of borrower, present and future	Repayable in 20 Quaterly installments from Feb 2019	35.00	54.45
First pari passu on entire FA (movable and immovable) of borrower, present and future. Secon First pari passu charge on CA of borrower, present and future	Repayable in 30 Quaterly installments from Dec 2022	17.57	-
First ranking pari passu charge on identified Tangible Assets and an exclusive charge over identified Intangible Assets.	Repayable on May 31, 2023	250.00	-

The coupon rates for the above loans are from 2.79 % (GBP LIBOR+2.6%) per annum to 9.40% per annum (Previous year : 2.79% [GBP LIBOR+2.6%] to 12.50 % per annum)  
Refer Note 43 for assets hypothecated/mortgaged as securities against the Secured Borrowings  
There are no material discrepancies between amount of current assets submitted to banks and financial institutions in quarterly returns and amount as per books of accounts.

**B. Foreign Currency Non Repatriable Loans:**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
First pari-passu charge on the standard assets including receivables present and future	Repayable in 65 months from drawdown date	261.32	261.32
First pari-passu charge on the standard assets including receivables present and future	Repayable in 53 months from drawdown date	261.32	261.32

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

**18. Non Current Borrowings**

The rate of interest for the above loans is 9.30% per annum  
Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

**C. Term Loan from others:**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months - 33.34%, repayable in 27 months - 33.33%, repayable in 30 months - 33.33%	-	125.00
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months - 33.34%, repayable in 27 months - 33.33%, repayable in 30 months - 33.33%	-	100.00
Para-passu charge by way of hypothecation on the loan portfolio/ receivables that are standard and receivables arising out of investments that the Excluded receivables shall not form part of the hypothecated assets.	Repayable in 34 quarterly instalments as per repayment schedule commencing from 30th Jun 2023.	40.00	-
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 29 months from drawdown date	-	419.50
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 105 months from drawdown date	60.45	251.39
Specific loan cash flows & underlying that are part of the Assignment pool	Repayable in 362 months from drawdown date	72.78	135.30
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 194 months from drawdown date	40.90	76.94

The coupon rates for the above loans are 6.75% to 8.90 % per annum.  
Refer Note 43 for assets hypothecated/mortgaged as securities against the Secured Borrowings

**D. Secured Debentures:**

Nature of Security	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
50 (Previous Year : 50) (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by a First Pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of Rs 5 Crores is redeemable at par at the end of 3650 days from the date of allotment.	5.00	5.00
350 (Previous Year : 350) (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of Rs 35 Crores is redeemable at par at the end of 3652 days from the date of allotment.	35.00	35.00
760 (Previous Year : 760) (payable quarterly) 9.50% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	First ranking exclusive pledge over the certain shares of Piramal Pharma Limited and First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited in favour of the Debenture Trustee. First ranking pari passu charge by way of hypothecation over inter-corporate deposits granted to PCHFL.	The amount of Rs 76 Crores is redeemable at par at the end of 1,095 days from the date of allotment.	76.00	76.00
19,425 (Previous Year : 25,900) (payable quarterly) 9.00% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	First ranking exclusive pledge over the certain shares of Piramal Pharma Limited, First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited and certain assets including PCHFL, ICD and first ranking pari passu charge over the receivables, Investments and other current assets of PCHFL in favour of the Debenture Trustee	The amount of Rs 1942.50 Crores is redeemable at par at the end of 1,096 days from the date of allotment.	1,942.50	2,590.00
5,000 (Previous Year : 5,000) (payable annually) 8.55% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by a First Pari Passu charge by way of hypothecation of Receivables of Inter-Company Deposits placed with PHL Fininvest Private Limited from Piramal Enterprises Limited and a first ranking pari passu mortgage over specifically mortgaged premises.	The amount of Rs 500 Crores is redeemable at par at the end of 1,093 days from the date of allotment.	500.00	500.00
NIL (Previous Year : 100) (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of Rs 10 Crores is redeemable at par at the end of 1026 days from the date of allotment	-	10.00
3,650 (Previous Year : NIL) (payable annually) 8.25% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	The amount of Rs 365 Crores is redeemable at par at the end of 730 days from the date of allotment	365.00	-
500 (Previous Year : NIL) (payable annually) 8.25% Secured Rated Listed Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	The amount of Rs 50 Crores is redeemable at par at the end of 723 days from the date of allotment	50.00	-
750 (Previous Year : NIL) (payable annually) 8.25% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	The amount of Rs 75 Crores is redeemable at par at the end of 723 days from the date of allotment	75.00	-
1,250 (Previous Year : NIL) (payable annually) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	The amount of Rs 125 Crores is redeemable at par at the end of 915 days from the date of allotment	125.00	-
1750 (Previous Year : NIL) (payable annually) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	The amount of Rs 175 Crores is redeemable at par at the end of 889 days from the date of allotment	175.00	-
4,000 (Previous Year : NIL) (payable annually) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	The amount of Rs 400 Crores is redeemable at par at the end of 912 days from the date of allotment	400.00	-
50 (payable annually) 8.95% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2555 days from the date of allotment.	5.00	5.00
250 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2556 days from the date of allotment	25.00	25.00
5000 (payable monthly) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments: 8th year-167 crore; 9th year-167 crore; 10th year-166 crore	500.00	500.00
350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 2555 days from the date of allotment	35.00	35.00
250 (payable annually) 9.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 1826 days from the date of allotment	25.00	25.00





PIRAMAL ENTERPRISES LIMITED

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

19. OTHER FINANCIAL LIABILITIES - NON-CURRENT	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
Contingent consideration at FVTPL		0.41		-
Deposits Received		2.02		-
<b>TOTAL</b>		<b>2.43</b>		<b>-</b>

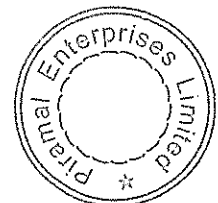
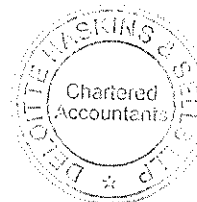
20. NON-CURRENT PROVISIONS	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
Provision for employee benefits (Refer Note 41)		45.74		30.08
Provision for Onerous contracts *		0.08		0.08
<b>TOTAL</b>		<b>45.82</b>		<b>30.16</b>

\* Refer Note 49 for movement during the year

21. DEFERRED TAX LIABILITIES (NET)	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>(a) Deferred Tax Liabilities on account of temporary differences</b>				
- Property, Plant and Equipment and Intangible assets	281.45		252.96	
- Fair Valuation of Derivative contract	1.76		4.30	
- Others	3.00	286.21	0.37	257.63
<b>(b) Deferred Tax Asset on account of temporary differences</b>				
- Other Provisions	1.93		0.24	
- Unused tax credits / losses	17.40		18.84	
- Expenses that are allowed on payment basis	74.68	94.01	15.87	34.95
<b>TOTAL</b>		<b>192.20</b>		<b>222.68</b>

22. OTHER NON-CURRENT LIABILITIES	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
Deferred Government grant related to assets		3.29		1.95
Other grants related to assets		107.73		107.17
Deferred Revenue		42.74		33.54
<b>TOTAL</b>		<b>153.76</b>		<b>142.66</b>

23. CURRENT BORROWINGS	As at		As at	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>Secured - at amortised cost</b>				
Loans from banks				
- Working Capital Demand Loan	458.07		685.45	
- Overdraft with banks (including PCFC)	309.51	767.58	173.88	859.33
<b>Unsecured - at amortised cost</b>				
Loans from banks				
Overdraft with banks	15.16		14.69	
Rupee Loans				
- Repayable on demand	0.00		415.00	
Foreign Currency Non Repatriable Loans				
- PCFC from banks	23.61		8.99	
Intercompany Deposits	-		351.76	
Commercial Papers	2,315.32		1,637.68	
Compulsorily Convertible preference shares	-		75.00	
Current maturities of long-term debt (Refer Note 18)	8,550.97	10,905.06	7,909.95	10,413.07
<b>TOTAL</b>		<b>11,672.64</b>		<b>11,272.40</b>



**PIRAMAL ENTERPRISES LIMITED**

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

**23. Current Borrowings (continued)**

Description of loan	Terms of repayment	Rate of Interest	
		March 31,2022	March 31,2021
<b>Secured Loans:</b>			
Working capital Demand Loan	At Call	2.15% to 7.90% per annum	1.47% to 10.25% per annum
Overdraft with banks	At Call	2.1% per annum	2.1% per annum
Others (PCFC)	At Call	4.50% to 5.01% per annum	0.74% per annum
<b>Unsecured Loans:</b>			
Commercial Papers	Repayable within 365 days from date of disbursement	6.00 % to 8.00 % per annum	7.00 % to 8.50 % per annum
Loans from Banks (Repayable on demand)	At Call / Repayable within 365 days from date of disbursement	1.64% to 4.25% per annum	5.00 % per annum
Overdraft with banks	At Call	2.6% to 4.25%	2.6% to 4.25%
Inter corporate deposits	Repayable by the end of credit period	-	8.25% per annum

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

**A. Working capital Demand Loan**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Repayable on May 31, 2021	-	50.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Repayable on April 30, 2021	-	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable within 365 days from date of drawdown.	50.00	49.99
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable within 92 days from date of drawdown.	-	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable within 92 days from date of drawdown.	-	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	100.00	-
JP Morgan Revolver Facility - All the assets (except carved out vaporizers financed through PNC Bank, City National Bank, Fifth Third Bank and Citizen Bank of Florida) of the Company are collateralized against the WCDL from JP Morgan Chase Bank.	As we determine. 5 year term with renewable 5 year option	0.75	51.27
These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on September 9, 2022	30.00	-
These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on September 2, 2022	30.00	-
These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on August 5, 2022	35.00	-
These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on August 1, 2022	20.00	-
These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on July 27, 2022	25.00	-
These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on June 8, 2022	30.00	-
These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on June 6, 2022	30.00	-
Exclusive charge on current assets	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	42.12	-
First charge on current assets (receivables and/or Inventory) of the company	Payable after 364 days from the date of facility availed	7.43	-
These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on May 24, 2021	-	30.00
First charge (Hypothecation) on Current assets and Second charge (hypothecation) on movable fixed assets. Also, Corporate guarantees given by Piramal Enterprises Limited and Navin Fluorine International Limited in the share of 51:49, respectively.	On the due date of receipt against export bill discounted, ie. 14-05-21	-	2.92

**B. Others (PCFC)**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on September 18, 2022	50.00	-
These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on September 12, 2022	50.00	-

**PIRAMAL ENTERPRISES LIMITED**

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

**23. Current Borrowings ( continued )**

These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on June 24, 2022	40.00	-
These are secured by first pari-passu charge over entire current assets of the company , both present and future	Repayable on June 10, 2022	50.00	-
secured by first pari-passu charge over entire current assets of the Company, both present and future *	Repayable on May 4, 2021	-	60.02

The coupon rate for the above Instruments are in the range of 4.50% to 5.01% per annum (Previous year : 0.74% per annum )

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

Conversion of CCPS to Equity (Allotted to CA Alchemy Investments) : 7,50,00,000 CCPS were converted into equity shares on 1st October 2021. Pursuant to conversion of the CCPS, 39,88,262 equity shares of face value of Rs. 10 each were allotted to CA Alchemy.

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

**A. Intercompany deposit from Others**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
Inter Corporate Deposit	Repayment on June 07, 2021 for an amount of Rs 350 Crores	-	350.00

The coupon rate for the above Instruments is NIL (Previous year : 8.25 % per annum)

**B. Other loans from banks**

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
Short term loans from banks	Repayable on 10th March 2022	-	415.00

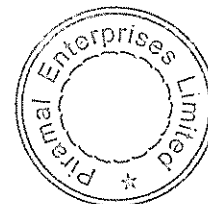
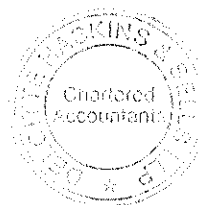
The coupon rate for the above instruments is NIL (Previous year : 5% per annum)

**C. Non Convertible Debentures:**

Nature of Security	Terms of repayment	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
1,000 (Previous Year : NIL) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	Redeemable at par on January 12, 2023 for an amount of Rs 100 Crores	100.00	-
20 (Previous Year : NIL) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each of Rs.1,000,000 each	First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	Redeemable at par on January 12, 2023 for an amount of Rs 2 Crores	2.00	-

The coupon rates for the above loans is 8.15% per annum

Refer Note 43 for assets hypothecated/mortgaged as securities against the Secured Borrowings



**PIRAMAL ENTERPRISES LIMITED**

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

24.	OTHER FINANCIAL LIABILITIES - CURRENT	As at		As at	
		March 31, 2022		March 31, 2021	
		Rs. in Crores		Rs. in Crores	
	Payable to related parties		0.01		0.00
	Unclaimed Dividend (Refer Note below)		18.18		20.68
	Employee related liabilities		284.01		218.47
	Contingent consideration at FVTPL		89.51		-
	Capital Creditors		3.27		2.62
	Retention money		0.35		0.25
	Security Deposits Received		3.20		3.11
	Derivative Financial Liabilities		-		6.43
	Other payables		768.57		25.67
	<b>TOTAL</b>		<b>1,167.10</b>		<b>277.23</b>

Note : Includes amount of Rs 0.53 crores of unclaimed dividend which was due for payment to the investor education and protection fund under section 125 of the Companies Act 2013. Pursuant to the corporate insolvency resolution process initiated by the Reserve Bank of India (RBI) in the Company (i.e. the erstwhile Dewan Housing Finance Corporation Limited (DHFL)) and the subsequent order of the Hon'ble National Company Law Tribunal (NCLT), a Moratorium was Imposed on DHFL in terms of the Insolvency and Bankruptcy Code, 2016 (Code) w.e.f. from 3 December 2019.

On account of Moratorium, alienation of any assets of DHFL was prohibited until the completion of the insolvency process. Consequently, the Administrator decided that the amount lying in the bank accounts of DHFL (including unclaimed dividend accounts) shall not be alienated or transferred in any manner, and that any such alienation/transfer, while Moratorium is in force, would result in violation of Section 14 of the Code. Further, all bank accounts of DHFL, including unclaimed dividend accounts, were frozen for any debit transactions.

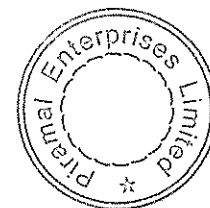
The implementation of the insolvency resolution plan, as approved by the NCLT, was completed on 30 September 2021 and the new board of directors was instated on 30 September 2021 subsequent to which the Company was able to take practical steps to reactivate the relevant unclaimed dividend accounts. The relevant unclaimed dividend accounts were reactivated in the month of March 2022 and April 2022 after following the due process and the Company (in coordination with Registrar and Transfer Agents and Banks) is in the process of reconciling the details of unclaimed/unpaid dividends and completing the required compliances under Section 124 of the Companies Act, 2013.

25.	OTHER CURRENT LIABILITIES	As at		As at	
		March 31, 2022		March 31, 2021	
		Rs. in Crores		Rs. in Crores	
	Advance From Customers		109.18		73.96
	Deferred Revenue		45.02		47.46
	Deferred grant related to assets		0.25		0.25
	Statutory Dues		96.31		65.11
	Other grant related to assets		33.83		29.32
	<b>TOTAL</b>		<b>284.59</b>		<b>216.10</b>

26.	CURRENT PROVISIONS	As at		As at	
		March 31, 2022		March 31, 2021	
		Rs. in Crores		Rs. in Crores	
	Provision for employee benefits (Refer Note 41)		43.76		52.55
	Provision for Expected Credit Loss on Loan Commitments / Letter of Credit (Refer Note 48 (f))		113.71		109.83
	Provision for Litigations & Disputes *		3.50		3.50
	<b>TOTAL</b>		<b>160.97</b>		<b>165.88</b>

\* Refer Note 49 for movement during the year

27.	CURRENT TAX LIABILITIES (NET)	As at		As at	
		March 31, 2022		March 31, 2021	
		Rs. in Crores		Rs. in Crores	
	Provision for Income Tax [Net of Advance Tax of 875.74 Crores as on March 31, 2022, (Previous year: Rs. 525.82 Crores)]		3,630.08		189.74
	<b>TOTAL</b>		<b>3,630.08</b>		<b>189.74</b>





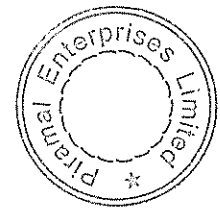
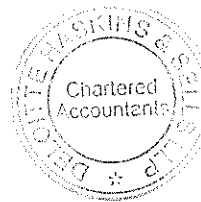
**PIRAMAL ENTERPRISES LIMITED**

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

**28 CONTINGENT LIABILITIES AND COMMITMENTS**

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>A Contingent liabilities:</b>		
<b>1 Claims against the Group not acknowledged as debts:</b>		
- Demand dated June 5, 1984 the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 not accepted by the Company. The Company has been legally advised that the demand is untenable.	0.61	0.61
- Others	31.03	-
<b>2 Others:</b>		
i. Appeals filed in respect of disputed demands:		
Income Tax		
- where the Company is in appeal	417.39	302.19
- where the Department is in appeal	369.29	368.55
Sales Tax	15.92	16.62
Central / State Excise / Service Tax / Customs / Goods and service tax	92.45	69.71
Labour Matters	2.58	1.10
Stamp Duty	9.37	9.37
Legal Cases	17.75	3.21
ii. Unexpired Letters of Credit	2.36	0.28
<b>3 Indemnity given to Navin Fluorine International Limited in relation to service tax matter where company is in appeal</b>	1.79	1.79
<p>Note: Future cash outflows in respect of 1 and 2(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.</p>		
<b>B Commitments:</b>		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	292.45	164.47
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	29.51	14.38
c. Other commitments	11.28	-

Refer note 48 (a) in case of loan commitments



**PIRAMAL ENTERPRISES LIMITED**

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

	Year Ended		Year Ended	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>29. REVENUE FROM OPERATIONS</b>				
<b>A. Revenue from contract with customers</b>				
Sale of products	5,692.95		4,904.04	
Sale of Services	870.64		855.00	
		6,563.59		5,759.04
<b>B. Income of financing activities:</b>				
Interest income on instruments measured at amortised cost	6,428.66		6,421.63	
Income on instruments mandatorily measured at FVTPL	704.78		577.92	
Dividend income on instruments designated at FVTOCI (Refer Note below)	40.10		6.16	
Processing/ arranger fees	91.65		5.05	
Others	0.53		0.96	
		7,265.72		7,011.72
<b>C. Other operating revenues:</b>		13,829.31		12,770.76
Processing Charges Received	10.66		1.04	
Miscellaneous Income	153.33		37.55	
		163.99		38.59
<b>TOTAL</b>		<b>13,993.30</b>		<b>12,809.35</b>

All dividends from equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period. There was no dividend income relating to investments derecognized during the reporting period.

**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 Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

For the year ended March 31, 2022 and March 31, 2021

Revenue by product line/ timing of transfer of goods/ services	Year Ended March 31, 2022		Year Ended March 31, 2021	
	At point in time	Over time	At point in time	Over time
	<b>Pharmaceuticals</b>			
Global Pharma				
Over the counter products	5,277.11	570.11	4,646.94	590.69
<b>Total</b>	5,976.72	570.11	5,148.11	590.69
<b>Financial Services</b>				
<b>Total</b>	-	16.76	-	20.24
		16.76		20.24
<b>Total</b>	<b>5,976.72</b>	<b>586.87</b>	<b>5,148.11</b>	<b>610.93</b>

**Reconciliation of revenue recognised with contract price:**

(Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
Sale of products and services at transaction price	7,355.63	6,403.33
Less: Discounts	(792.04)	(644.29)
<b>Revenue recognised on sale of products and services</b>	<b>6,563.59</b>	<b>5,759.04</b>

	Year Ended		Year Ended	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>30. OTHER INCOME (NET)</b>				
Interest Income on Financial Assets				
- On Current Investments	-		0.06	
- On Loans and Bank Deposits (at amortised costs)	36.81		39.10	
- On Receivables and Others	0.28		1.65	
		37.09		40.81
Dividend Income				
- On Current Investments at FVTPL		18.70		2.25
Profit on Sale of Investment, (net)		128.26		0.00
Other Gains & Losses:				
- Gain on Sale of Property, Plant and Equipment		1.58		24.41
- Exchange Gain (Net)		31.02		26.40
- Fair Value gains on derivative instruments not designated as hedge		19.79		140.31
Rent Received		0.69		-
Provision no Longer Required, Written Back (Refer note below)		114.24		4.71
Miscellaneous income		368.74		124.75
<b>TOTAL</b>		<b>720.11</b>		<b>363.64</b>

Note : Relates to write back of provisions for various expenses created in earlier years that is no longer required.

**PIRAMAL ENTERPRISES LIMITED**

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

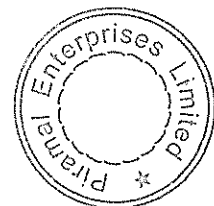
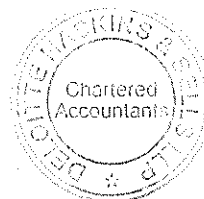
	Year Ended		Year Ended	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>31. COST OF MATERIALS CONSUMED</b>				
Raw and packing materials				
Opening Inventory				
Add: Purchases		463.25		394.10
Less: Closing Inventory		1,099.18		1,481.35
<b>TOTAL</b>		<b>628.38</b>		<b>463.25</b>
		<b>934.05</b>		<b>1,412.20</b>

	Year Ended		Year Ended	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>32. PURCHASES OF STOCK-IN-TRADE</b>				
Traded Goods				
		1,603.46		664.69
<b>TOTAL</b>		<b>1,603.46</b>		<b>664.69</b>

	Year Ended		Year Ended	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>				
<b>Opening Inventory :</b>				
Stock acquired in business acquisition (Refer Note 56 A (i))				
Work-in-Progress	16.61		-	
Finished Goods	325.82		326.61	
Stock-in-trade	155.82		89.97	
	274.93		184.69	
		773.18		601.27
<b>Less: Closing Inventory :</b>				
Work-in-Progress	340.51		325.82	
Finished Goods	124.41		155.82	
Stock-in-trade	314.78		274.93	
		779.70		756.57
<b>TOTAL</b>		<b>(6.52)</b>		<b>(155.30)</b>

	Year Ended		Year Ended	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>34. EMPLOYEE BENEFITS EXPENSE</b>				
Salaries and Wages				
Contribution to Provident and Other Funds (Refer Note 41)		1,876.14		1,439.15
Gratuity Expense (Refer Note 41)		123.64		104.64
Staff Welfare		12.35		6.00
		122.88		100.68
<b>TOTAL</b>		<b>2,135.01</b>		<b>1,650.47</b>

	Year Ended		Year Ended	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>35. FINANCE COSTS</b>				
Finance Charge on financial liabilities measured at amortised cost				
Other borrowing costs		4,425.71		4,088.53
		54.16		120.00
<b>TOTAL</b>		<b>4,479.87</b>		<b>4,208.53</b>



**PIRAMAL ENTERPRISES LIMITED**

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

	Year Ended		Year Ended	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>36. OTHER EXPENSES</b>				
Processing Charges		12.80		11.25
Consumption of Stores and Spares Parts		107.17		94.25
Consumption of Laboratory materials		80.59		95.51
Power, Fuel and Water Charges		176.72		140.81
Repairs and Maintenance				
Buildings			53.73	
Plant and Machinery	103.83		123.26	
Others	144.93		21.19	
	25.34			
Rent		274.10		198.18
Rates & Taxes		44.52		37.82
Insurance		96.07		76.30
Travelling Expenses		47.52		38.43
Directors' Commission		40.15		19.47
Directors' Sitting Fees		3.12		3.04
		1.20		1.47
Trade Receivables written off				
Expected Credit Loss on Trade Receivables (Refer Note 10)		1.06		0.02
Provision for Doubtful loans and advances		10.97		9.47
Provision for diminution in value of investments		1.55		78.96
Loss on Sale of Non Current Investments (Net)		-		3.04
Property, Plant & Equipments Written Off		-		7.09
Advertisement and Business Promotion Expenses		-		3.43
Donations		164.56		112.08
Expenditure towards Corporate Social Responsibility activities		15.80		23.83
Freight		61.51		31.81
Export expenses		147.10		111.07
Clearing and Forwarding Expenses		1.07		2.46
Communication and Postage		43.22		46.58
Printing and Stationery		22.24		20.00
Legal Charges		12.73		8.20
Professional Charges		21.46		15.44
Royalty Expense		411.97		288.46
Service Charges		117.74		105.74
Information Technology Costs		8.27		-
R & D Expenses (Net) (Refer Note 45)		38.28		24.98
Commission on fund raising		128.34		79.31
Miscellaneous Expenses		0.03		0.93
		89.15		73.71
<b>TOTAL</b>		<b>2,181.01</b>		<b>1,763.13</b>

	Year Ended		Year Ended	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>37. EXCEPTIONAL ITEMS</b>				
Mark to market gains on forward contracts taken against the inflow from equity investment from Investors in Pharma segment.		-		100.80
Write off of certain property plant and equipment and intangible assets under development pertaining to Mumbai R & D center		-		(37.42)
Certain transaction costs in relation to the merger of DHFL		(142.72)		-
Certain transaction cost related to note 56 A (i)		(15.08)		-
Certain transaction costs in relation to the sale of Pharma business		(10.20)		(4.52)
<b>TOTAL</b>		<b>(168.00)</b>		<b>58.86</b>

	Year Ended		Year Ended	
	March 31, 2022		March 31, 2021	
	Rs. in Crores		Rs. in Crores	
<b>38. OTHER COMPREHENSIVE INCOME / (EXPENSE) (NET OF TAXES)</b>				
Other Comprehensive Income / (Expense) related to:				
Fair Valuation of Equity investments		28.40		373.77
Remeasurement of post-employment benefit obligations (Refer Note 41)		(0.11)		(3.43)
Deferred gains / (losses) on cash flow hedges		15.93		18.51
Exchange differences on translation of foreign operations		106.00		(9.43)
Share of other comprehensive income / (expense) of joint ventures accounted for using equity accounted method		(77.27)		-
Gain on Bargain Purchase		-		7.43
<b>TOTAL</b>		<b>72.94</b>		<b>386.85</b>

**PIRAMAL ENTERPRISES LIMITED**

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

**39 Interests in other entities**

**(a) Subsidiaries**

The Group's subsidiaries at March 31, 2022 are set out below.

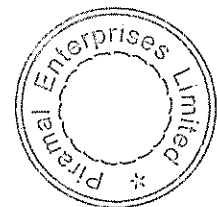
Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

The country of Incorporation or registration is also their principal place of business.

Sr. No.	Name of the Company	Principal place of business / Country of Incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2022	% voting power held as at March 31, 2022	
1	PHL Fininvest Private Limited	India	100.00%	0.00%	Financial Services
2	Piramal International	Mauritius	100.00%	0.00%	Others
3	Piramal Holdings (Suisse) SA	Switzerland	100.00%	0.00%	Others
4	Piramal Critical Care Italia, S.P.A**	Italy	79.88%	20.12%	Pharmaceutical manufacturing and services
5	Piramal Critical Care Deutschland GmbH**	Germany	79.88%	20.12%	Pharmaceutical manufacturing and services
6	Piramal Critical Care Limited **	U.K.	79.88%	20.12%	Pharmaceutical manufacturing and services
7	Piramal Healthcare (Canada) Limited **	Canada	79.88%	20.12%	Pharmaceutical manufacturing and services
8	Piramal Critical Care B.V. **	Netherlands	79.88%	20.12%	Pharmaceutical manufacturing and services
9	Piramal Pharma Solutions B.V. **	Netherlands	79.88%	20.12%	Pharmaceutical manufacturing and services
10	Piramal Critical Care Pty. Ltd. **	Australia	79.88%	20.12%	Pharmaceutical manufacturing and services
11	Piramal Healthcare UK Limited **	U.K.	79.88%	20.12%	Pharmaceutical manufacturing and services
12	Piramal Healthcare Pension Trustees Limited**	U.K.	79.88%	20.12%	Pharmaceutical manufacturing and services
13	Piramal Critical Care South Africa (Pty) Ltd **	South Africa	79.88%	20.12%	Pharmaceutical manufacturing and services
14	Piramal Dutch Holdings N.V. @@	Netherlands	79.88%	20.12%	Pharmaceutical manufacturing and services
15	Piramal Healthcare Inc. **	U.S.A	79.88%	20.12%	Others
16	Piramal Critical Care, Inc. **	U.S.A	79.88%	20.12%	Others
17	Piramal Pharma Inc.**	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
18	Piramal Pharma Solutions Inc. **	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
19	PEL Pharma Inc.**	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
20	Ash Stevens LLC **	U.S.A	79.88%	20.12%	Others
21	Piramal Dutch IM Holdco B.V	Netherlands	100.00%	0.00%	Pharmaceutical manufacturing and services
22	PEL-DRG Dutch Holdco B.V. \$	Netherlands	100.00%	0.00%	Others
23	Piramal Capital and Housing Finance Limited (refer note 56)	India	100.00%	0.00%	Others
24	DHFL Investments Limited# (w.e.f. September 30, 2021)	India	100.00%	0.00%	Financial Services
25	DHFL Advisory & Investments Private Limited# (w.e.f. September 30, 2021)	India	100.00%	0.00%	Financial Services
26	DHFL Holdings Limited# (w.e.f. September 30, 2021)	India	100.00%	0.00%	Financial Services
27	Piramal Fund Management Private Limited (Piramal Fund)	India	100.00%	0.00%	Financial Services
28	Piramal Asset Management Private Limited	India	100.00%	0.00%	Financial Services
29	Piramal Investment Advisory Services Private Limited (PIASPL)	India	100.00%	0.00%	Financial Services
30	Piramal Investment Opportunities Fund (PIOF)	India	100.00%	0.00%	Financial Services
31	INDIAREIT Investment Management Co. \$\$	Mauritius	100.00%	0.00%	Financial Services
32	Piramal Asset Management Private Limited \$\$	Singapore	100.00%	0.00%	Financial Services
33	Piramal Capital International Limited \$\$ (upto April 27, 2021)	Mauritius	100.00%	0.00%	Financial Services
34	Piramal Securities Limited	India	100.00%	0.00%	Financial Services
35	Piramal Systems & Technologies Private Limited	India	100.00%	0.00%	Financial Services
36	Piramal Technologies SA @	Switzerland	100.00%	0.00%	Others
37	PEL Finhold Private Limited	India	100.00%	0.00%	Others
38	Piramal Consumer Products Private Limited	India	100.00%	0.00%	Others
39	Piramal Pharma Limited (w.e.f. March 4, 2020) ^	India	100.00%	0.00%	Others
40	PEL Healthcare LLC (w.e.f. June 26, 2020)**	India	79.88%	20.12%	Pharmaceutical manufacturing and services
41	Piramal Finance Sales & Services Private Limited (w.e.f. September 9, 2020)***	U.S.A	79.88%	20.12%	Pharmaceutical manufacturing and services
42	Virdis Power Investment Managers Private Limited (w.e.f. October 17, 2020)	India	100.00%	0.00%	Financial Services
43	Virdis Infrastructure Investment Managers Private Ltd. (w.e.f. October 22, 2020)	India	100.00%	0.00%	Financial Services
44	Convergence Chemicals Private Limited (subsidiary w.e.f. from February 24, 2021 and joint venture upto February 23, 2021)@@	India	79.88%	20.12%	Pharmaceutical manufacturing and services
45	Hemmo Pharmaceuticals Private Limited (w.e.f. June 22, 2021)@@	India	79.88%	20.12%	Pharmaceutical manufacturing and services
46	Piramal Pharma Japan GK (w.e.f. November 05, 2021)**	India	79.88%	20.12%	Pharmaceutical manufacturing and services

Others denotes investment in subsidiaries / other business activities

- \*\* held through Piramal Dutch Holdings N.V.
- @ held through Piramal Systems & Technologies Private Limited
- \$ merged into Piramal Dutch IM Holdco B.V.
- \$\$ held through Piramal Fund Management Private Limited
- \$\$\$ held through PHL Fininvest Private Limited
- @@ held through Piramal Pharma Limited
- # held through Piramal Capital & Housing Finance Limited





**PIRAMAL ENTERPRISES LIMITED**

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

The Group's subsidiaries at March 31, 2021 are set out below.

Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

The country of incorporation or registration is also their principal place of business.

Sr. No.	Name of the Company	Principal place of business / Country of Incorporation	Ownership Interest held by the group	Ownership Interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2021	% voting power held as at March 31, 2021	
1	PHL Fininvest Private Limited	India	100.00%	0.00%	Financial Services
2	Piramal International	Mauritius	100.00%	0.00%	Others
3	Piramal Holdings (Suisse) SA	Switzerland	100.00%	0.00%	Others
4	Piramal Critical Care Italia, S.P.A**	Italy	80.00%	20.00%	Pharmaceutical manufacturing and services
5	Piramal Critical Care Deutschland GmbH**	Germany	80.00%	20.00%	Pharmaceutical manufacturing and services
6	Piramal Critical Care Limited **	U.K.	80.00%	20.00%	Pharmaceutical manufacturing and services
7	Piramal Healthcare (Canada) Limited **	Canada	80.00%	20.00%	Pharmaceutical manufacturing and services
8	Piramal Critical Care B.V. **	Netherlands	80.00%	20.00%	Pharmaceutical manufacturing and services
9	Piramal Pharma Solutions B.V. **	Netherlands	80.00%	20.00%	Pharmaceutical manufacturing and services
10	Piramal Critical Care Pty. Ltd. **	Australia	80.00%	20.00%	Pharmaceutical manufacturing and services
11	Piramal Healthcare UK Limited **	U.K.	80.00%	20.00%	Pharmaceutical manufacturing and services
12	Piramal Healthcare Pension Trustees Limited**	U.K.	80.00%	20.00%	Pharmaceutical manufacturing and services
13	Piramal Critical Care South Africa (Pty) Ltd **	South Africa	80.00%	20.00%	Pharmaceutical manufacturing and services
14	Piramal Dutch Holdings N.V. @@	Netherlands	80.00%	20.00%	Pharmaceutical manufacturing and services
15	Piramal Healthcare Inc. **	U.S.A	80.00%	20.00%	Others
16	Piramal Critical Care, Inc. **	U.S.A	80.00%	20.00%	Others
17	Piramal Pharma Inc.**	U.S.A	80.00%	20.00%	Pharmaceutical manufacturing and services
18	Piramal Pharma Solutions Inc. **	U.S.A	80.00%	20.00%	Pharmaceutical manufacturing and services
19	PEL Pharma Inc.**	U.S.A	80.00%	20.00%	Pharmaceutical manufacturing and services
20	Ash Stevens LLC **	U.S.A	80.00%	20.00%	Others
21	Piramal Dutch IM Holdco B.V	Netherlands	100.00%	0.00%	Pharmaceutical manufacturing and services
22	PEL-DRG Dutch Holdco B.V. \$	Netherlands	100.00%	0.00%	Others
23	Piramal Capital and Housing Finance Limited	India	100.00%	0.00%	Others
24	Piramal Fund Management Private Limited (Piramal Fund)	India	100.00%	0.00%	Financial Services
25	Piramal Asset Management Private Limited	India	100.00%	0.00%	Financial Services
26	Piramal Investment Advisory Services Private Limited	India	100.00%	0.00%	Financial Services
27	Piramal Investment Opportunities Fund	India	100.00%	0.00%	Financial Services
28	INDIAREIT Investment Management Co. \$\$	Mauritius	100.00%	0.00%	Financial Services
29	Piramal Asset Management Private Limited \$\$	Singapore	100.00%	0.00%	Financial Services
30	Piramal Capital International Limited \$\$	Mauritius	100.00%	0.00%	Financial Services
31	Piramal Securities Limited	India	100.00%	0.00%	Financial Services
32	Piramal Systems & Technologies Private Limited	India	100.00%	0.00%	Financial Services
33	Piramal Technologies SA @	Switzerland	100.00%	0.00%	Others
34	PEL Finhold Private Limited	India	100.00%	0.00%	Others
35	Piramal Consumer Products Private Limited	India	100.00%	0.00%	Others
36	Piramal Pharma Limited (w.e.f. March 04, 2020) ^	India	100.00%	0.00%	Others
37	PEL Healthcare LLC (w.e.f. June 26, 2020)**	U.S.A	80.00%	20.00%	Pharmaceutical manufacturing and services
38	Piramal Finance Sales & Services Private Limited (w.e.f. September 9, 2020)****	India	100.00%	20.00%	Pharmaceutical manufacturing and services
39	Viridis Power Investment Managers Private Limited (w.e.f. October 17, 2020)	India	100.00%	0.00%	Financial Services
40	Viridis Infrastructure Investment Managers Private Ltd. (w.e.f. October 22, 2020)	India	100.00%	0.00%	Financial Services
41	Convergence Chemicals Private Limited (subsidiary w.e.f. from February 24, 2021 and joint venture upto February 23, 2021)@@	India	80.00%	20.00%	Pharmaceutical manufacturing and services

Others denotes investment in subsidiaries / other business activities

\*\* held through Piramal Dutch Holdings N.V.

@ held through Piramal Systems & Technologies Private Limited

\$ held through Piramal Dutch IM Holdco B.V.

\$\$ held through Piramal Fund Management Private Limited

\*\*\*\* held through PHL Fininvest Private Limited

@@ held through Piramal Pharma Limited

^ Note on Common control transactions with subsidiaries

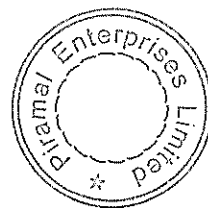
The Group undertook the following common control transaction:

The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had inter alia, approved:

a. the sale of the major line of pharmaceutical business ('Pharma Business'), including those held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Limited, wholly owned subsidiary of the Company ('PPL').

b. the strategic growth investment by 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 a 20% stake in the fresh equity capital of PPL.

This transaction was successfully closed on October 6th, 2020 on receipt of requisite approvals. As a result, PPL a subsidiary of the Company received Rs.3,523.40 crores as consideration towards 20% equity investment from CA Alchemy Investments. The excess of consideration received over the net assets of the Pharma business attributable to the Non-Controlling shareholder has been adjusted to Equity, in accordance with IND AS 110 "Consolidated Financial Statements".



**PIRAMAL ENTERPRISES LIMITED**

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

**Interest in material subsidiary**

Summarized consolidated financial information in respect of the group's subsidiary that has material non-controlling interest is set out below. The summarized consolidated financial information below represents amounts as per Piramal Pharma Limited's consolidated financial statements.

**Summarized Balance Sheet:**

Particulars	(Rs. in Crores)	
	Piramal Pharma Ltd.	
	As at March 31, 2022	As at March 31, 2021
Current Assets	4,067.22	3,648.70
Non - Current Assets	8,729.82	7,251.08
Current Liabilities	3,033.34	2,490.28
Non - Current Liabilities	3,067.10	2,804.50
Equity Interest Attributable to Owners	5,348.82	4,484.00
Non - Controlling Interest	1,347.78	1,121.00

**Summarized Total Comprehensive Income:**

Particulars	(Rs. in Crores)	
	Piramal Pharma Ltd.	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Income	6,834.90	5,719.29
Expenses (incl. tax expense)	6,393.87	5,124.45
Profit for the year	441.03	594.84
Total Comprehensive Income for the year	474.70	637.50
Total Comprehensive Income attributable to the owners of the company	379.17	546.92
Total Comprehensive Income attributable to the Non-Controlling Interest	95.53	90.58
Dividend Income	39.94	-

**Movement in Cash & Cash Equivalents:**

Particulars	(Rs. in Crores)	
	Piramal Pharma Ltd.	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Cash & Cash Equivalents	384.65	225.81
Closing Cash & Cash Equivalents	228.10	384.65
Net Cash Inflow	(156.55)	158.84

**(b) (i) Interest in Material Joint Ventures**

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (Rs. in Crores)		% of ownership interest
			March 31, 2022	March 31, 2021	
			1	Shrilekha Business Consultancy Private Limited (Joint venture) (Shrilekha Business Consultancy Limited)	

The above investments in joint ventures are accounted for using Equity Method. These are unlisted investments and hence quoted prices are not available.

**Significant judgement: classification of joint venture**

**Shrilekha Business Consultancy Private Limited**

The Group has a 74.95% interest in a joint venture called Shrilekha Business Consultancy Private Limited which was set up together with Shriram Ownership Trust to invest in Shriram Capital Limited. Shrilekha Business Consultancy Private Limited holds 26.68% in Shriram Capital Limited, thereby giving the Group an effective interest of 20%. The principal place of business of the joint venture is in India.

Significant financial information for Shrilekha Business Consultancy Private Limited has been provided below :

**Significant financial information:**

**Summarised Balance sheet as at:**

Particulars	(Rs. in Crores)	
	March 31, 2022	March 31, 2021
Current assets	7.04	10.80
Non-current assets	4,589.65	4,151.56
Current liabilities	(0.02)	(0.07)
Non-current liabilities	-	(0.06)
Net Assets	4,596.67	4,162.23
<b>The above amounts of assets and liabilities include the following:</b>		
Cash and cash equivalents	0.34	0.11
Current financial liabilities (excluding trade payables)	(0.03)	(0.06)

**Summarised statement of profit and loss**

Particulars	(Rs. in Crores)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	31.94	-
Income tax expense	0.82	0.31
Share of profit from associate	482.38	318.09
Profit for the year	512.92	319.09
Total comprehensive income	512.92	319.09

**Reconciliation to carrying amounts as at:**

Particulars	(Rs. in Crores)	
	March 31, 2022	March 31, 2021
Net assets	4,596.67	4,162.23
Group's share in %	74.95%	74.95%
Proportion of the Group's ownership interest	3,445.21	3,119.59
Goodwill	556.74	556.74
Dividend Distribution Tax	24.17	24.17
Carrying amount	4,026.12	3,700.50

**PIRAMAL ENTERPRISES LIMITED**

Notes to the Consolidated financials statements for the year ended March 31, 2022  
(b) (ii) Individually Immaterial joint ventures

The group has Interests in the following Individually Immaterial joint ventures that are accounted for using the equity method:

Sr. No.	Name of the Company	Principal place of business	% of ownership interest
1	India Resurgence ARC Private Limited	India	50.00%
2	India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited) (IRAMBPL)	India	50.00%
3	Asset Resurgence Mauritius Manager	Mauritius	50.00%
4	Piramal Ivanhoe Residential Equity Fund 1 (Investment redeemed on December 21, 2021)	India	0.00%
5	India Resurgence Fund - Scheme - 2	India	50.00%
6	Convergence Chemicals Private Limited (Convergence) (subsidiary w.e.f. from February 24, 2021 and joint venture upto February 23, 2021)	India	0.00%
7	India Resurgence ARC Trust I (investment redeemed on October 14, 2021)	India	50.00%
8	Piramal Structured Credit Opportunities Fund (PSCOF) (w.e.f 26 February 2020)	India	25.00%
9	Pramerica Life Insurance Limited (w.e.f. September 30, 2021)	India	50.00%

**Investment in India Resurgence ARC Private Limited**

India Resurgence ARC Private Limited was a wholly owned subsidiary of the Company till July 18, 2017. On July 19, 2017, the Company has entered into a joint venture agreement with Bain Capital Credit India Investments (a company existing under the laws of the Republic of Mauritius) to sell its shares to the latter. The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two Independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence ARC Private Limited.

Hence with effect from July 19, 2017, the investment in India Resurgence ARC Private Limited is considered as Investment In Joint Venture and accordingly this is accounted as per the equity method.

**Investment in India Resurgence Asset Management Business Private Limited**

India Resurgence Asset Management Business Private Limited was a wholly owned subsidiary of the Company till February 6, 2018. On February 7, 2018, the Company has entered into a joint venture agreement with Bain Capital Mauritius (a private limited company incorporated in Mauritius) to sell its shares to the latter. The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two Independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence Asset Management Business Private Limited.

Hence with effect from February 7, 2018, the investment in India Resurgence Asset Management Business Private Limited is considered as investment in Joint Venture and accordingly this is accounted as per the equity method.

**Investment in Asset Resurgence Mauritius Manager**

Asset Resurgence Mauritius Manager is a Joint Venture between Bain Capital Credit Member LLC and Piramal Fund Management Private Limited. Asset Resurgence Mauritius Manager was incorporated in the Republic of Mauritius as a private company under the Mauritius Companies Act 2001 on October 10, 2017 and holds a Category I Global Business License and a CIS Manager issued by the Financial Services Commission. The principal activity of Asset Resurgence Mauritius Manager is to provide investment management services.

**Investment in Piramal Ivanhoe Residential Equity Fund 1**

Piramal Ivanhoe Residential Equity Fund - 1 ('Fund') is a contributory determinate investment trust organised under the Indian Trust Act 1882 and has been registered with SEBI as Category II Alternative Investment Fund.

**Investment in India Resurgence Fund - Scheme - 2**

India Resurgence Fund, is a Category II, SEBI registered AIF which is managed by India Resurgence Asset Management Business Private Limited, a 50:50 joint venture between Piramal Enterprises Limited and Bain Capital. India Resurgence Fund is a trust which has been set up on March 2, 2017 and registered with SEBI on June 28, 2017. India Resurgence Fund has floated India Resurgence Fund Scheme 2 for investments into distressed to control investment opportunities.

**India Resurgence ARC Trust I**

India Resurgence ARC Trust I ('the Trust') is declared as a Trust of India Resurgence ARC Private Limited in accordance with the Indian Trust Act, 1882 by way of a trust deed dated November 12, 2018. India Resurgence ARC Trust I is being managed by India Resurgence ARC Pvt Ltd (Trustee) and this trustee entity is joint venture between Bain Capital and Piramal Enterprise. Shareholding of Trustee entity is being held 50:50 by Bain Capital & Piramal Enterprise.

**Piramal Structured Credit Opportunities Fund**

Piramal Structured Credit Opportunities Fund' (the 'Fund') has been established under the provisions of the Indian Trust Act, 1882. The Fund has received approval from the Securities and Exchange Board of India on 10 February 2020 to carry on the activity of alternate investment fund by pooling together resources and finances from institutional and high net worth investors.

**Pramerica Life Insurance Limited**

Pramerica Life Insurance Limited has been established under the provisions of Insurance Regulatory Development Authority of India (IRDAI). The Company is carrying business on the basis of certificate of registration granted and duly renewed by IRDAI.

**Convergence Chemicals Private Limited**

Convergence Chemicals Private Limited ('CCPL') is a wholly owned subsidiary set up to develop, manufacture and sell speciality fluorochemicals.

The Group owned 51% equity shares of CCPL till 23rd February 2021. The contractual arrangement stated that PEL and the other shareholder shall nominate two directors each to the board and for any meeting of the board the quorum shall be two directors provided that one director from each party is present. This gave both the parties a joint control over CCPL. CCPL is a Private Limited Company whose legal form confers separation between the parties to the joint arrangement and the Company itself. Accordingly, the legal form of CCPL and the terms of the contractual arrangement indicated that the arrangement was a Joint Venture.

Effective 24th Feb 2021, the group, through its subsidiary, Piramal Pharma Ltd., has acquired the remaining 49% stake held by Navin Flourine International Ltd. in Convergence Chemicals Pvt. Ltd. for a cash consideration of Rs 65.10 Crore. Post this acquisition, CCPL is a wholly owned subsidiary of Piramal Pharma Ltd.

**Aggregate carrying amount of individually immaterial joint ventures**

Particulars	(Rs. in Crores)	
	March 31, 2022	March 31, 2021
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations	1,526.74	506.67
Other comprehensive income	209.39	59.43
<b>Total comprehensive income</b>	<b>209.39</b>	<b>59.43</b>



**PIRAMAL ENTERPRISES LIMITED**  
Notes to the Consolidated financials statements for the year ended March 31, 2022

**(c) Interest in material Associates**

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (Rs. In Crores)		% of ownership interest
			March 31, 2022	March 31, 2021	
1	Allergan India Private Limited (Allergan)	India	78.09	109.67	39.20%
2	Yapan Bio Private Limited (Yapan) (w.e.f. December 20, 2021)	India	101.73	-	22.30%

The above investment is accounted for using Equity Method. This is an unlisted investment and hence quoted prices are not available. Allergan India Private Limited is mainly engaged in trading of ophthalmic products.

**1) Allergan India Private Limited**

**Significant judgement: classification of associate**

The Group owns 39.20% (Previous year 39.20%) equity shares of Allergan India Private Limited. As per the terms of the contractual agreement with Allergan Pharmaceuticals (Ireland) Limited, the company by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The company only has a right to participate in the policy making processes. Accordingly Allergan India Private Limited has been considered as an Associate.

**Significant financial information for associate**

**Summarised Balance sheet as at:**

Particulars	(Rs. in Crores)	
	March 31, 2022	March 31, 2021
Current assets		255.70
Non-current assets	214.35	
Current liabilities	37.63	46.86
Non-current liabilities	(86.55)	(66.48)
Net Assets	(12.22)	(13.40)
	153.21	222.69

**Summarised statement of profit and loss for the year ended:**

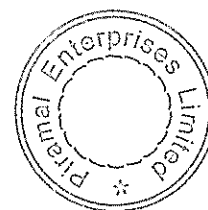
Particulars	(Rs. in Crores)	
	March 31, 2022	March 31, 2021
Revenue from Operations		365.35
Profit for the year	414.26	121.23
Other comprehensive income/ (expense)	124.62	-
Total comprehensive income	-	121.23
Dividends received	124.62	124.54
	90.65	

**Reconciliation to carrying amounts as at:**

Particulars	(Rs. in Crores)	
	March 31, 2022	March 31, 2021
Net assets		222.69
Group's effective share in %	153.21	49%
Proportion of the group's effective ownership interest	49%	109.12
Others	75.07	0.55
Carrying amount	3.02	109.67
	78.09	

**Contingent liabilities as at:**

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



**PIRAMAL ENTERPRISES LIMITED**  
Notes to the Consolidated financial statements for the period ended March 31, 2022

**ii) Yapan Bio Private Limited**

**Significant judgement: classification of associate**

The Group owns 22.30% equity shares of Yapan Bio Private Limited. As per the terms of the contractual agreement with promoters of Company, the company by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The company only has a right to participate in the policy making processes. Accordingly Yapan Bio Private Limited has been considered as an Associate.

**Significant financial information for associate**

**Summarised Balance sheet as at:**

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

**Summarised statement of profit and loss for the year ended:**

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

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

**Reconciliation to carrying amounts as at:**

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

**Contingent Liability**

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

**(d) Individually immaterial associates**

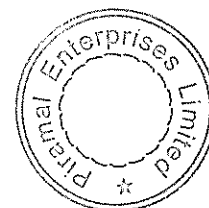
The group has interests in the following individually immaterial associates that are accounted for using the equity method:

Sr. No.	Name of the Company	Principal place of business
1	Bluebird Aero Systems Limited (ceased to be an associate w.e.f March 03, 2021)	Israel
2	Shriram Capital Limited	India
3	DHFL Ventures Trustee Company Private Limited (w.e.f. September 30, 2021)	India

	(Rs. in Crores)	
	March 31, 2022	March 31, 2021
<b>Aggregate carrying amount of individually immaterial associates</b>	<b>0.01</b>	<b>0.01</b>
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations	-	-
Other comprehensive income	-	-
<b>Total comprehensive income/ (Loss)</b>	<b>-</b>	<b>-</b>

**(e) Share of profits from Associates and Joint Venture for the year ended:**

Particulars	(Rs. in Crores)	
	March 31, 2022	March 31, 2021
Share of profits from Joint Ventures	593.86	298.59
Share of profits from Associates	59.03	39.84
<b>Total share of profits from Associates and Joint Venture</b>	<b>652.89</b>	<b>338.43</b>





**PIRAMAL ENTERPRISES LIMITED****Notes to the Consolidated financials statements for the year ended March 31, 2022****40. Goodwill**

Movement in Goodwill on Consolidation during the year:

Particulars	(Rs. in Crores)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	1,114.28	1,139.07
Add: Addition due to acquisition during the year (Refer Note 56)	145.06	8.08
Add: Currency translation differences	35.36	(32.87)
<b>Closing balance</b>	<b>1,294.70</b>	<b>1,114.28</b>

For the purpose of Impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or group of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any Impairment at the operating segment, which is represented through group of CGUs.

The following table presents the allocation of goodwill to reportable segments:

Particulars	(Rs. in Crores)	
	As at March 31, 2022	As at March 31, 2021
Pharmaceuticals	1,030.50	856.74
Financial Services	264.20	257.54
<b>Total</b>	<b>1,294.70</b>	<b>1,114.28</b>

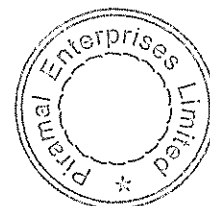
The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value - in - use.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider (a) the increase in economic uncertainties due to COVID-19, (b) reassessment of the discount rates, (c) revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

The recoverable amount was computed using the discounted cash flow method for which the estimated cash flows for a period of 5 years in the Pharmaceuticals and Financial Services segment were developed using internal forecasts, and a pre-tax discount rate of 10.77% to 24.14% (March 31, 2021: 10% to 13.50%). The cash flows beyond 5 years have been extrapolated assuming 2.87% to 5% (March 31, 2021: 3% to 5%) growth rates, depending on the cash generating unit and the country of operations.

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

Based on the above, no impairment was identified as of March 31, 2022 and March 31, 2021 as the recoverable value of the segments exceeded the carrying values.



## PIRAMAL ENTERPRISES LIMITED

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

#### 41 Employee Benefits :

##### Brief description of the Plans:

##### Other Long Term Employee Benefit Obligations:

Leave Encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise.

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

##### Defined Contribution plans:

The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Overseas Social Security Plans, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and 401(k) plan contribution (in case of US subsidiaries). The Group has no further obligation beyond making contributions to such plans.

##### Post-employment benefit plans:

Gratuity for employees in India is paid as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans.

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

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

In case of a foreign subsidiary, the subsidiary sponsors a defined benefit retirement plan. The benefits are based on employees' years of experience and final remuneration. The plan was funded through a separate trustee-administered fund. The pension cost for the main defined plans is established in accordance with the advice of independent qualified actuary. This fund was closed to future accrual of benefits with effect from November 15, 2017 and there are no active members.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

##### **Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, equity, mutual funds and other debt instruments.

##### **Interest risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

##### **Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

##### **Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident fund trust are governed by local regulations, including limits on contributions in each class of investments.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and corporate bonds, although the Group also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

In case of an overseas subsidiary, the pension plans were funded through a separate trustee - administered fund. The subsidiary employs a building block approach in determining the long term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles.

**PIRAMAL ENTERPRISES LIMITED**  
Notes to the Consolidated Financial statements for the year ended March 31, 2022

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

Particulars	(Rs. In Crores)	
	Year Ended	Year Ended
	March 31, 2022	March 31, 2021
Employer's contribution to Regional Provident Fund Office	21.57	12.01
Employer's contribution to Superannuation Fund	0.28	0.24
Employer's contribution to Employees' State Insurance	0.62	0.56
Employer's contribution to Employees' Pension Scheme 1995	5.71	5.28
Contribution to Pension Fund 401 (k) Plan contribution	49.53	47.23
<b>TOTAL</b>	<b>87.71</b>	<b>92.75</b>

Included in Contribution to Provident and Other Funds and R&D Expenses disclosed under Other Expenses (Refer Note 34 and 36)

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

**A. Change in Defined Benefit Obligation**

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Present Value of Defined Benefit Obligation as at beginning of the year	89.01	67.89	704.09	592.65	312.42	270.77	-	16.50
Transfer of Liability from Non funded to Funded	-	16.50	-	-	-	-	-	(16.50)
Interest Cost	6.81	4.97	9.56	12.54	26.00	23.06	0.01	-
Current Service Cost	9.63	6.06	-	-	13.82	11.97	0.00	-
Past Service Cost	0.84	-	-	-	-	-	-	-
Past Contribution from Employer	0.72	-	-	-	-	-	-	-
Contributions from plan participants	-	-	-	-	-	-	-	-
Return on Plan Assets, Excluding Interest Income	-	-	-	-	22.60	21.65	-	-
Liability Transferred In / Acquisitions	29.47	-	-	-	6.89	-	-	-
Liability Transferred In for employees joined	-	-	-	-	-	-	-	-
Liability Transferred Out for employees left	(1.08)	-	-	-	170.91	13.19	-	-
Liability acquired on acquisition of a subsidiary	-	-	-	-	-	-	-	-
Benefit Directly Paid By Employer	(4.89)	0.05	-	-	-	-	-	-
Benefits Paid	(6.18)	(9.45)	(30.44)	(30.20)	(146.88)	(28.32)	-	-
Other Actuarial Adjustments	0.58	-	-	-	8.61	-	-	-
Actuarial (Gains)/loss - due to change in Demographic Assumptions	(1.12)	(0.44)	-	-	-	-	-	0.12
Actuarial (Gains)/loss - due to change in Financial Assumptions	(1.53)	0.33	(60.44)	62.44	-	-	-	(0.10)
Actuarial (Gains)/loss - due to experience adjustments	1.69	3.90	-	-	-	-	-	0.01
Exchange Differences on Foreign Plans	-	-	(8.60)	46.66	-	(0.10)	-	0.59
Present Value of Defined Benefit Obligation as at the end of the year	<b>124.79</b>	<b>89.81</b>	<b>614.17</b>	<b>704.09</b>	<b>364.37</b>	<b>312.42</b>	<b>0.71</b>	<b>-</b>

**B. Changes in the Fair Value of Plan Assets**

Particulars	(Funded)					
	Gratuity		Pension		Provident Fund	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021	2022	2021
Fair Value of Plan Assets as at beginning of the year	66.25	23.01	877.27	743.08	312.42	270.77
Interest Income	5.02	2.92	11.92	15.73	25.99	23.06
Contributions from employer	0.15	47.70	-	-	35.43	33.82
Contributions from plan participants	-	-	-	-	-	-
Asset acquired on acquisition of a subsidiary	23.72	0.53	-	-	-	-
Assets Transferred In for employees joined	-	-	-	-	120.91	13.19
Reduction on disposal of discontinued operations	-	-	-	-	(146.08)	-
Benefits Paid from the fund	(6.18)	(8.01)	(30.44)	(30.20)	5.46	(20.32)
Return on Plan Assets, Excluding Interest Income	-	0.10	46.85	95.52	-	(0.10)
Administration cost	-	-	(4.66)	(5.36)	-	-
Other Actuarial Adjustment	-	-	-	-	10.04	-
Exchange Differences on Foreign Plans	-	-	(10.71)	58.50	-	-
Fair Value of Plan Assets as at the end of the year	<b>88.96</b>	<b>66.25</b>	<b>890.23</b>	<b>877.27</b>	<b>364.37</b>	<b>312.42</b>

**C. Amount recognised in the Balance Sheet**

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Present Value of Defined Benefit Obligation as at the end of the year	124.79	89.81	614.17	704.09	364.37	312.42	0.71	-
Fair Value of Plan Assets As at end of the year	88.96	66.25	890.23	877.27	364.37	312.42	-	-
Funded Status	-	-	(276.06)	(173.18)	-	-	-	-
Asset Ceiling	-	-	276.06	173.18	-	-	-	-
Effect of currency translations	-	-	-	-	-	-	-	-
Net Liability recognised in the Balance Sheet (Refer Notes 20 and 26)	<b>35.83</b>	<b>23.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.71</b>	<b>-</b>

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Recognised under:	-	-	-	-	-	-	-	-
Non Current provision (Refer Note 20)	-	-	-	-	-	-	-	-
Current provision (Refer Note 26)	35.83	23.56	-	-	-	-	0.71	-

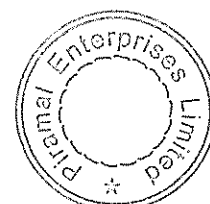
The Provident Fund has a surplus that is not recognised on the basis that future economic benefits are not available to the Group in the form of a reduction in future contributions or a cash refund due to local regulations.

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

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

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Current Service Cost	9.63	6.06	-	-	13.82	11.97	0.00	-
Past Service Cost	0.84	-	-	-	-	-	0.00	-
Net Interest Cost	1.79	2.05	-	-	-	-	-	-
(Gains)/Losses on Curtailments and settlements	-	-	-	-	0.01	-	0.01	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss	<b>12.26</b>	<b>8.11</b>	<b>-</b>	<b>-</b>	<b>13.83</b>	<b>11.97</b>	<b>0.09</b>	<b>-</b>

\*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Research and Development Expenses (Refer Note 34 and 36)



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

Particulars	(Rs. In Crores)							
	Gratuity		Pension (Funded)		Provident Fund		(Non-Funded)	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	(1.12)	(0.44)	-	-	-	-	-	-
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	(1.53)	0.33	(60.44)	82.44	-	-	-	(0.10)
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	1.69	3.90	-	-	-	-	-	0.01
Return on Plan Assets, Excluding Interest Income	-	(0.10)	(46.85)	(95.52)	-	-	-	0.59
Change in Asset Calling	-	-	-	107.29	-	-	-	-
Net (Income)/Expense For the Period Recognized in OCI	(0.96)	3.69	-	12.08	-	-	-	0.50

**F. Significant Actuarial Assumptions:**

Particulars	Figures In (%)							
	Gratuity		Pension (Funded)		Provident Fund		(Non-Funded)	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Discount Rate (per annum)	6.05% to 6.84%	6.26% to 6.57%	2%	1%	6.84%	6.49%	5.18%	NA
Salary escalation rate	6% to 10%	6% to 10%	NA	1%	6.84%	6.49%	5.18%	NA
Expected Rate of return on Plan Assets (per annum)	6.05% to 6.84%	6.26% to 6.57%	2%	2%	6.84% to 8.10%	6.49%	7.00%	NA

The expected rate of return on plan assets is based on market expectations at the closing of the year. The rate of return on long-term bonds is taken as reference for this purpose. In case of certain employees, the Provident Fund contribution is made to a Trust administered by the Group. In terms of the Guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident fund liability based on the assumptions listed above and determined that there is no shortfall at the end of each reporting period.

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

Particulars	(Rs. In Crores)					
	Gratuity		Pension (Funded)		Provident Fund (Non-Funded)	
	As at March 31,		As at March 31,		As at March 31,	
	2022	2021	2022	2021	2022	2021
Opening Net Liability/(asset)	23.56	44.88	-	-	-	16.50
Transfer of Liability from Non funded to Funded	-	16.50	-	-	-	(16.50)
Expenses Recognized in Statement of Profit or Loss	12.26	8.11	-	-	-	-
Other Actuarial Adjustment	(0.98)	3.69	-	-	0.09	-
Exchange Fluctuation	-	-	-	-	0.50	-
Net Liability/(Asset) Transfer In	5.75	-	-	-	0.12	-
Net (Liability)/Asset Transfer Out	(1.08)	-	-	-	-	-
Balance in relation to the discontinued operations	-	-	-	-	-	-
Net asset added on acquisition of subsidiary	-	(0.48)	-	-	-	-
Benefit Paid Directly by the Employer	(4.85)	(1.44)	-	-	-	-
Employer's Contribution	(0.15)	(47.70)	-	-	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	34.53	23.56	-	-	0.71	-

**H. Category of Assets**

Particulars	(Rs. In Crores)					
	Gratuity		Pension (Funded)		Provident Fund (Non-Funded)	
	As at March 31,		As at March 31,		As at March 31,	
	2022	2021	2022	2021	2022	2021
Government of India Assets (Central & State)	18.12	21.77	-	-	159.29	135.68
Public Sector Unit Bonds	-	-	-	-	-	21.06
Debt Instruments	-	-	605.36	596.55	-	-
Corporate Bonds	14.77	18.01	-	-	139.41	98.54
Fixed Deposits under Special Deposit Schemes of Central Government*	7.24	2.85	-	-	16.97	28.59
Insurance fund*	44.38	18.01	-	-	-	-
Equity Shares of Listed Entities/ Mutual funds	4.32	4.98	-	-	20.32	22.86
Global Equities	-	-	294.07	280.72	-	-
Others*	0.13	6.63	-	-	20.38	5.69
Total	88.96	66.25	890.23	877.27	364.37	312.42

\* Except these, all the other investments are quoted.

**I. Other Details**  
**Funded Gratuity**

Particulars	(Rs. In crores)	
	As at March 31, 2022	As at March 31, 2021
Number of Active Members	7,519	4,701
Per Month Salary For Active Members	28.42	16.53
Average Expected Future Service (Years)	5 to 8 Years	7 to 8 Years
Projected Benefit Obligation (PBO) (Rs. In crores)	124.50	90.32
Prescribed Contribution For Next Year (12 Months) (Rs. In crores)	29.93	17.92

**J. Cash Flow Projection: From the Fund**

Projected Benefits Payable in Future Years From the Date of Reporting	(Rs. In crores)	
	Estimated for the year ended March 31, 2022	Estimated for the year ended March 31, 2021
1st Following Year	25.21	19.91
2nd Following Year	11.62	6.01
3rd Following Year	11.73	8.93
4th Following Year	11.15	8.02
5th Following Year	10.44	7.66
Sum of Years 6 To 10 Years	50.04	35.66
Sum of Years 11 Years and above	33.86	15.53

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

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

Weighted average duration of the defined benefit obligation is in the range of 7 - 11 years (Previous year 7 - 11 years)

**K. Sensitivity Analysis**

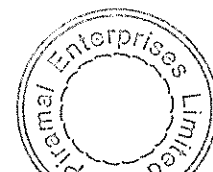
Projected Benefit Obligation	(Rs. In crores)					
	Gratuity - Funded		Pension - Funded		Gratuity - Non Funded	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Impact of +1% Change in Rate of Discounting	(6.16)	(5.32)	-	-	NA	NA
Impact of -1% Change in Rate of Discounting	4.54	5.32	-	-	NA	NA
Impact of +1% Change in Rate of Salary Increase	6.37	5.27	-	-	NA	NA
Impact of -1% Change in Rate of Salary Increase	(6.13)	(4.72)	-	-	NA	NA

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

The liability for Long term Service Awards (Non - Funded) as at year end is Rs. 3.77 crores (Previous year - Rs. 3.14 Crores)

The liability for Leave Encashment (Non - Funded) as at year end is Rs. 49.20 Crores (Previous year Rs. 55.04 Crores)



**PIRAMAL ENTERPRISES LIMITED**  
Notes to the Consolidated Financial statements for the year ended March 31, 2022

**42 Related Party Disclosures**

**1. List of related parties**

**A. Controlling Entities**

The Ajay G. Piramal Foundation @  
Piramal Phyllocare Limited Senior Employees Option Trust @\*  
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr.(Mrs.) Swati A. Piramal @  
Aasan Info Solutions (India) Private Limited @  
Piramal Welfare Trust through its Trustee, Piramal Corporate Services Limited @  
PRL Realtors LLP @  
Anand Piramal Trust @  
Nandini Piramal Trust @  
V3 Designs LLP @

@There are no transactions during the year.  
\*during the FY 20-21 it became non promoter- non public.

**B. Subsidiaries - Refer Note 39 (a) for list of subsidiaries.**

**C. Other related parties**  
Entities controlled by Key Management Personnel\*:  
Aasan Corporate Solutions Private Limited (Aasan Corporate Solutions)  
Gopikrishna Piramal Memorial Hospital (GPMH)  
Piramal Corporate Services Limited (PCSL)  
Brickex Advisors Private Limited  
Piramal Glass Private Limited (PGPL) (upto March 30, 2021)  
PGP Glass Private Limited (w.e.f. March 30, 2021)  
Piramal Glass USA Inc. (upto March 30, 2021)  
PRL Developers Private Limited (PRL)  
PRL Agastya Private Limited  
Piramal Trusteeship Services Private Limited  
Piramal Estates Private Limited  
Glider Bulldozer Realtors Private Limited  
Aasa Deco Glass Private Limited (till March 30, 2021)  
Piramal Glass Ceylon Limited (upto March 30, 2021)

\*where there are transactions during the current or previous year

Employee Benefit Trusts  
Staff Provident Fund of Piramal Healthcare Limited (PPFT)  
Piramal Pharma Limited Employees PF Trust (PPLFT)

**D. Associates and Joint Ventures - Refer Note 39(b) (i), (b) (ii) & (c)**

**E. Other Intermediaries**

Shriram City Union Finance Limited (Shriram City Union)

**F. Key Management Personnel**

Mr. Ajay G. Piramal  
Dr. (Mrs.) Swati A. Piramal  
Ms. Nandini Piramal  
Mr. Rajesh Laddha (w.e.f. May 11, 2020 and resigned on February 10, 2022)  
Mr. Khushru Jilina (w.e.f. April 01, 2021)

**G. Relatives of Key Management Personnel**

Mr. Anand Piramal (Son of Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal)  
Mr. Peter De Young (Husband of Ms. Nandini Piramal)

**H. Non Executive/Independent Directors**

Dr. R.A. Mashelkar (Resigned w.e.f. October 20, 2020)  
Mr. Gautam Banerjee (Resigned w.e.f. March 31, 2022)  
Mr. Govardhan Mehta (Resigned w.e.f. October 20, 2020)  
Mr. Vijay Shah (resigned from being a Whole-Time Director and continued as Non-Executive Non-Independent Director of the Company w.e.f. May 11, 2020)  
Mr. N. Vaghul  
Mr. S. Ramadorai  
Mr. Deepak Setwalekar  
Mr. Keki Dadiseth (Resigned w.e.f. October 20, 2020)  
Mr. Siddhath H Mehta (Resigned w.e.f. February 04, 2020)  
Mrs. Arundhati Bhattacharya (w.e.f. October 25, 2018 and resigned w.e.f. April 16, 2020)  
Mr. Kunal Bahl (appointed w.e.f. October 14, 2020)  
Mr. Suheli Nathani (appointed w.e.f. October 14, 2020)  
Ms. Anjali Bansal (appointed w.e.f. November 19, 2020)  
Mr. Puneet Dalmia (appointed w.e.f. October 07, 2021)  
Ms. Anita George (appointed w.e.f. February 10, 2022)  
Ms. Shikha Sharma (appointed w.e.f. March 31, 2022)

**2. Details of transactions with related parties**

Details of Transactions*	Jointly Controlled Entities		Associates		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Purchase of Goods</b>								
- Piramal Glass Private Limited	-	-	-	-	-	4.65	-	4.65
- Piramal Glass USA Inc.	-	-	-	-	-	5.90	-	5.90
- Convergence	-	-	-	-	1.08	-	1.08	-
- Others	-	102.90	-	-	-	-	-	102.90
<b>TOTAL</b>	-	102.90	-	-	1.08	10.55	1.08	113.45
<b>Sale of Goods</b>								
- Allergan	-	-	-	-	-	-	-	-
- Convergence	-	-	66.06	57.18	-	-	66.06	57.18
<b>TOTAL</b>	-	1.23	66.06	57.18	-	-	66.06	57.18
<b>Rendering of Services</b>								
- Allergan	-	-	-	-	-	-	-	-
- PGP Glass Private Limited	-	-	-	-	-	-	-	-
- Piramal Structured Credit Opportunities Fund	-	-	-	-	0.05	-	0.05	-
- Piramal Glass Private Limited	1.72	-	-	-	-	-	1.72	-
<b>TOTAL</b>	1.72	-	-	-	0.05	0.98	1.77	0.98
<b>Receiving of services</b>								
- PRL Agastya Private Limited	-	-	-	-	5.70	6.00	5.70	6.00
<b>TOTAL</b>	-	-	-	-	5.70	6.00	5.70	6.00
<b>Royalty Expense</b>								
- Piramal Corporate Services Limited	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	112.10	87.24	112.10	87.24
<b>Rent Expense</b>								
- Gopikrishna Piramal Memorial Hospital (GPMH)	-	-	-	-	0.84	1.01	0.84	1.01
- Aasan Corporate Solutions	-	-	-	-	23.95	25.41	23.95	25.41
- PRL Agastya Private Limited	-	-	-	-	1.35	-	1.35	-
<b>TOTAL</b>	-	-	-	-	26.14	26.42	26.14	26.42
<b>Professional Fees</b>								
- Piramal Trusteeship Services Private Limited	-	-	-	-	-	-	-	-
- Piramal Structured Credit Opportunities Fund	-	-	-	-	0.04	0.03	0.04	0.03
<b>TOTAL</b>	0.18	0.14	-	-	0.04	0.03	0.18	0.14
<b>TOTAL</b>	0.18	0.14	-	-	0.04	0.03	0.22	0.17





2. Details of transactions with related parties (Continued)

Details of Transactions#	Jointly Controlled Entities		Associates		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Guarantee Commission Income</b>								
- Convergence	-	0.15	-	-	-	-	-	0.15
<b>TOTAL</b>	-	0.15	-	-	-	-	-	0.15
<b>Reimbursements of expenses recovered</b>								
- Piramal Glass Private Limited	-	-	-	-	-	0.07	-	0.07
- Piramal Glass USA Inc.	-	-	-	-	0.04	-	0.04	-
- Aasan Corporate Solutions	-	-	-	-	-	-	-	-
- Convergence	-	-	-	-	-	-	-	-
- PRL Developers	-	0.02	-	-	-	-	-	0.02
- India Resurgence Asset Management Business Private Limited	-	-	-	-	-	0.06	-	0.06
- Ansa Decoglass Private Limited	-	0.31	-	-	-	-	-	0.31
- Glider Buldcan Realtors Private Limited	-	-	-	-	-	0.07	-	0.07
- PRL Agastya Private Limited	-	-	-	-	-	0.11	-	0.11
- Piramal Estates	-	-	-	-	-	0.01	-	0.01
<b>TOTAL</b>	-	0.33	-	-	0.04	0.37	0.04	0.70

Details of Transactions #	Jointly Controlled Entities		Associates and its Subsidiaries		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Reimbursements of expenses paid</b>								
- Aasan Corporate Solutions	-	-	-	-	0.81	0.62	0.81	0.62
- Brickex Advisors Private Limited	-	-	-	-	0.01	21.76	0.01	21.76
- Piramal Structured Credit Opportunities Fund	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	0.82	22.39	0.82	22.39
<b>Security deposit placed</b>								
- PRL Agastya Private Limited	-	-	-	-	1.10	-	1.10	-
<b>TOTAL</b>	-	-	-	-	1.10	-	1.10	-
<b>Security deposit refunded</b>								
- Aasan Corporate Solutions	-	-	-	-	1.85	-	1.85	-
<b>TOTAL</b>	-	-	-	-	1.85	-	1.85	-
<b>Dividend Income</b>								
- Shriram Transport	-	-	-	-	-	-	-	-
- Shrirekha Business Consultancy	-	-	58.80	-	-	-	58.80	-
- Shriram City Union	-	-	39.96	6.16	-	-	39.96	6.16
- Allergan	-	-	90.65	124.54	-	-	90.65	124.54
- India Resurgence Fund - Scheme 2	-	20.76	-	-	-	-	-	20.76
- Piramal Structured Credit Opportunities Fund	9.44	5.70	-	-	-	-	9.44	5.70
<b>TOTAL</b>	9.44	26.46	189.41	130.70	-	-	198.85	157.16
<b>Finance granted /(repayments) - Net (Including loans and Equity contribution in cash or in kind)</b>								
- Convergence	-	(11.00)	-	-	-	-	-	(11.00)
- India Resurgence Asset Management Business Private Limited	-	(7.53)	-	-	-	-	-	(7.53)
- Piramal Ivanhoe Residential Equity Fund 1	(119.70)	-	-	-	-	-	(119.70)	-
- India Resurgence Fund - Scheme 2	66.57	(17.03)	-	-	-	-	66.57	(17.03)
- India Resurgence ARC Trust 1	(48.69)	(5.26)	-	-	-	-	(48.69)	(5.26)
- Piramal Structured Credit Opportunities Fund	115.14	14.91	-	-	-	-	115.14	14.91
<b>TOTAL</b>	13.32	(25.91)	-	-	-	-	13.32	(25.91)
<b>Insurance Commission Income</b>								
- Pramara Life Insurance Ltd.	0.76	-	-	-	-	-	0.76	-
<b>TOTAL</b>	0.76	-	-	-	-	-	0.76	-
<b>Lease Rent Income</b>								
- Pramara Life Insurance Ltd.	0.08	-	-	-	-	-	0.08	-
<b>TOTAL</b>	0.08	-	-	-	-	-	0.08	-
<b>Interest received on loans/investments</b>								
- Convergence	-	1.70	-	-	-	-	-	1.70
<b>TOTAL</b>	-	1.70	-	-	-	-	-	1.70
<b>Contribution to Funds</b>								
- PPFT	-	-	-	-	9.47	19.77	9.47	19.77
- PPLFT	-	-	-	-	26.97	8.78	26.97	8.78
<b>TOTAL</b>	-	-	-	-	36.44	28.55	36.44	28.55

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

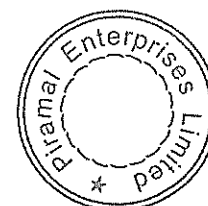
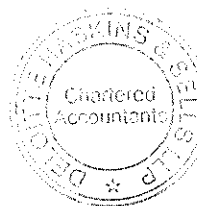
Compensation of key managerial personnel

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

Particulars	(Rs. in Crores)	
	2022	2021
Short-term employee benefits (excluding perquisites)	46.75	15.92
Post-employment benefits	2.97	1.59
Other long-term benefits	0.03	0.15
Commission and other benefits to non-executive/independent directors	3.22	3.73
<b>Total</b>	<b>52.97</b>	<b>21.39</b>

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee.

# Excludes transactions with related parties in their capacity as shareholders.

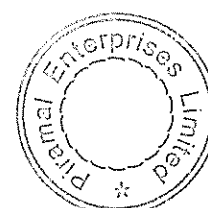
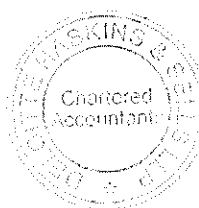


**PIRAMAL ENTERPRISES LIMITED**  
Notes to the Consolidated financial statements for the year ended March 31, 2022

**3. Balances of related parties.**

Account Balances	(Rs. in Crores)							
	Jointly Controlled Entities		Associates		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Trade Receivables</b>								
- Brickex Advisors Private Limited	-	-	-	-	0.91	0.91	0.91	0.91
- Aasan Corporate Solutions	-	-	-	-	4.11	5.92	4.11	5.92
- Allergan	-	-	10.15	13.59	-	-	10.15	13.59
- Piramal Structured Credit Opportunities Fund	0.32	-	-	-	-	-	0.32	-
- PGP Glass Private Limited	-	-	-	-	0.06	-	0.06	-
- PRL Agastya Private Limited	-	-	-	-	1.10	0.03	1.10	0.03
- Pramrica Life Insurance Ltd.	0.54	-	-	-	-	-	0.54	-
<b>TOTAL</b>	<b>0.86</b>	<b>-</b>	<b>10.15</b>	<b>13.59</b>	<b>6.18</b>	<b>6.86</b>	<b>17.19</b>	<b>20.45</b>
<b>Advance to Vendor</b>								
- Piramal Glass Private Limited	-	-	-	-	0.09	1.72	0.09	1.72
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.09</b>	<b>1.72</b>	<b>0.09</b>	<b>1.72</b>
<b>Long-Term Financial Assets</b>								
- Aasan Corporate Solutions	-	-	-	-	7.28	7.28	7.28	7.28
- Piramal Corporate Services Limited	-	-	-	-	-	1.78	-	1.78
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.28</b>	<b>9.06</b>	<b>7.28</b>	<b>9.06</b>
<b>Investments in Debentures</b>								
- India Resurgence Asset Management Business Private Limited	13.14	17.03	-	-	-	-	13.14	17.03
<b>TOTAL</b>	<b>13.14</b>	<b>17.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.14</b>	<b>17.03</b>
<b>Trade Payables</b>								
- Piramal Glass USA Inc	-	-	-	-	0.67	0.21	0.67	0.21
- Piramal Glass Limited	-	-	-	-	-	0.06	-	0.06
- Piramal Corporate Services Limited	-	-	-	-	62.03	15.61	62.03	15.61
- Aasan Corporate Solutions	-	-	-	-	0.17	0.11	0.17	0.11
- Brickex Advisors Private Limited	-	-	-	-	-	0.09	-	0.09
- Gopikrishna Piramal Memorial Hospital (GPMH)	-	-	-	-	0.16	-	0.16	-
- PRL Agastya Private Limited	-	-	-	-	1.09	-	1.09	-
- Others	-	-	-	-	0.01	-	0.01	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64.13</b>	<b>16.08</b>	<b>64.13</b>	<b>16.08</b>
<b>Current Account balances with related parties</b>								
- Piramal Glass Limited	-	-	-	-	-	-	-	-
- India Resurgence Asset Management Business Private Limited	0.36	0.36	-	-	-	0.45	-	0.45
- Convergence	-	-	-	-	-	-	0.36	0.36
- PRL Developers	-	-	-	-	-	-	-	-
- Glider Buildcon Realtors Private Limited	-	-	-	-	0.10	0.29	0.10	0.29
- Others	-	-	-	-	0.13	0.30	0.13	0.30
<b>TOTAL</b>	<b>0.36</b>	<b>0.36</b>	<b>-</b>	<b>-</b>	<b>0.23</b>	<b>1.15</b>	<b>0.59</b>	<b>1.51</b>

All outstanding balances are unsecured and are repayable in cash.



**PIRAMAL ENTERPRISES LIMITED**

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

43 Property, Plant & Equipment, Brands and Trademarks, Investment in Non Convertible Debentures, Inter Corporate Deposits and Other Financial Assets are mortgaged / hypothecated to the extent of Rs. 54,828.73 Crores (As on March 31, 2021 Rs. 39,121.92 Crores) as a security against long term secured borrowings as at March 31, 2022.

Plant & Equipment, Inventories, Trade receivables, Investment in Non Convertible Debentures and Inter Corporate Deposits are hypothecated as a security to the extent of Rs. 779.43 Crores (As on March 31, 2021 Rs. 754.28 Crores) against short term secured borrowings as at March 31, 2022.

44 Earnings Per Share (EPS) - EPS is calculated by dividing the profit/ (loss) attributable to the owners of Piramal Enterprises Limited by the weighted average number of equity shares outstanding during the year. The earnings and weighted average numbers of equity shares used in calculating basic and diluted earnings per equity share are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Basic EPS for the year (Rs.)</b>		
From continuing operations	80.70	56.19
<b>Total basic EPS</b>	<b>80.70</b>	<b>56.19</b>
<b>Diluted EPS for the year (Rs.)</b>		
From continuing operations	80.40	55.68
<b>Total diluted EPS</b>	<b>80.40</b>	<b>55.68</b>
Face value per share (Rs.)	2.00	2.00

The Profit/ (Loss) attributable to the owners of Piramal Enterprises Limited and weighted average number of equity shares used in calculation of basic and diluted earnings per share are as follows:

(a) Profit/ (Loss) attributable to the owners of Piramal Enterprises Limited used in calculation of basic and diluted earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/ (Loss) from continuing operations attributable to owners of Piramal Enterprises	1,923.11	1,332.34

(b) Weighted average number of shares used in calculation of basic and diluted earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1. Weighted Average Number of Equity Shares for calculating Basic EPS (nos.)	23,82,93,390	23,71,27,756
2. Weighted Average Potential Equity Shares in respect of right shares reserved for CCD holders and right shares held in abeyance (nos.)	8,93,013	21,43,733
3. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) (1+2)	23,91,86,403	23,92,71,489

The following additional information is presented to disclose the effect on net profit/ (loss) from continuing operations after tax and share of profits of associates and joint ventures, Basic and Diluted EPS, without the effect of tax adjustment of prior years (Refer note 51).

Particulars	(Rs. in Crores) For the year ended March 31, 2021
Profit / (Loss) from continuing operations after tax and share of profit of associates and joint ventures As reported in the consolidated financial statements	1,332.34
Add: Impact of Tax adjustment of prior years (Refer Note 51)	1,258.29
<b>Adjusted Profit from continuing operations after tax and share of profit of associates and joint ventures</b>	<b>2,590.63</b>
Basic EPS for the period (Rs.) As reported in the consolidated financial statements	56.19
Add: Impact of Tax adjustment of prior years (Refer Note 51)	53.06
<b>Adjusted Basic EPS</b>	<b>109.25</b>
Diluted EPS for the period (Rs.) As reported in the consolidated financial statements	55.68
Add: Impact of Tax adjustment of prior years (Refer Note 51)	52.59
<b>Adjusted Diluted EPS</b>	<b>108.27</b>

45 (a) The Group conducts research and development to find new sustainable chemical routes for pharmaceutical & herbal products. The Group is undertaking development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients.

The Group's research and development centers are in Mumbai, Ennore and Ahmedabad.

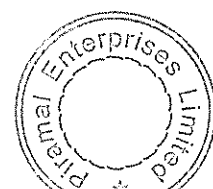
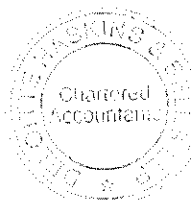
Details of additions to Property Plant & Equipments, Intangibles under Development and Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) Recognised research and development facilities / division of the Group at Mumbai, Ennore and Ahmedabad for the year are as follows:

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue Expenditure*	138.26	102.99
<b>TOTAL</b>	<b>138.26</b>	<b>102.99</b>
Capital Expenditure, Net	7.00	11.51
Additions to Property Plant & Equipments	8.74	6.91
Additions to Intangibles under Development	15.74	18.42
<b>TOTAL</b>	<b>15.74</b>	<b>18.42</b>

\* The amount included in Note 36, under R & D Expenses (Net) does not include Rs. 86.82 Crores (Previous year Rs. 79.30 Crores) relating to Ahmedabad location.

(b) In addition to the above, R & D Expenses (Net) included under Note 36 "Other Expenses" also includes other R & D expenditure incurred by the Group.

46 The Consolidated results for the year ended March 31, 2022 includes the results for Piramal Critical Care Italia S.P.A, Piramal Holdings (Suisse) SA, Piramal Technologies SA, Piramal Critical Care BV, Piramal Dutch Holdings N.V., Piramal Critical Care Pty Limited, Piramal Critical Care South Africa (Pty) Ltd, PEL Pharma Inc, Piramal Dutch IM Holdco BV and PEL DRG Dutch Holdco BV based on audited accounts upto their respective financial year ending December 31, 2021 and management estimates prepared by respective Company's Management for the interim period ending March 31, 2022. The results of Piramal International, Hemmo Pharmaceuticals Private Limited, Allergan India Private Limited, Piramal Critical Care Deutschland GmbH, PEL Healthcare LLC, Piramal Pharma Solutions B.V, Piramal Pharma Japan GK, Piramal Healthcare Pension Trustees Limited, Yapan Bio Private Limited, Piramal Holdings Suisse (SA), India Resurgence Asset Management Business Private Limited, India Resurgence Mauritius Manager, India Resurgence Fund Managers Private Limited DHFL Investments Limited, DHFL Advisory & Investments Private Limited, DHFL Holdings Limited, DHFL Ventures Trustee Company Private Limited, Pramerica Life Insurance Limited and Piramal Structured Credit Opportunities Fund are based on management estimates for the year ended March 31, 2022 as audited results were unavailable. The combined Revenues from operations for the year ended March 31, 2022 for all the above companies is Rs. 604.98 Crores. The combined profit (net) for the year ended March 31, 2022 for all the above companies to the Consolidated Profit and Loss is Rs. 138.13 Crores.



**PIRAMAL ENTERPRISES LIMITED**

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

**47 Capital Management**

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 18 and 23 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through convertible and non convertible debt securities or other long-term /short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The capital components of the Group are as given below:

	As at March 31, 2022	(Rs in Crores) As at March 31, 2021
Equity		
<b>Total Equity</b>	<b>36,836.91</b>	<b>35,138.96</b>
Borrowings - Non Current	36,836.91	35,138.96
Borrowings - Current	43,778.36	28,096.76
<b>Total Debt</b>	<b>11,672.64</b>	<b>11,272.40</b>
Cash & Cash equivalents	55,451.00	39,369.16
<b>Net Debt</b>	<b>(6,440.16)</b>	<b>(5,719.01)</b>
<b>Debt/Equity Ratio</b>	<b>49,010.84</b>	<b>33,650.15</b>
	<b>1.33</b>	<b>0.96</b>

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

**48 Risk Management**

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks.

Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Group's senior management and an external industry expert. It defines the strategy for managing liquidity and interest rate risks in the business.

This note explains the sources of risk which the group is exposed to and how the group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Management
Liquidity risk	Borrowings and other liabilities	ALCO deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
Market risk - Interest rate	Long-term borrowings at variable rates	ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. The Risk Management Group has also initiated a scenario analysis to assess the short-term impact of interest rates on net interest income (NII).
Market risk - Securities price risks	Equity Investment	The Group continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk - Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes measures to hedge the exposure based on prevalent macroeconomic conditions.
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit  Each investment in financial services is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.

**a. Liquidity Risk Management**

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Group has formulated an Asset Liability Management Policy. The Asset Liability Management Committee (ALCO) is responsible for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Group has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

**PIRAMAL ENTERPRISES LIMITED**

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

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

Particulars	(Rs. in Crores)	
	As at March 31, 2022	As at March 31, 2021
- Undrawn credit lines	7,677.35	11,303.81
	<b>7,677.35</b>	<b>11,303.81</b>

Note: This includes Non-Convertible Debentures, Inter Corporate Deposits and Commercial Papers where only credit rating has been obtained and which can be issued, if required, within a short period of time. Further, the facilities related to Commercial Papers are generally rolled over.

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

Maturities of Financial Liabilities	(Rs. in Crores)			
	Upto 1 year	As at March 31, 2022		5 years & above
		1 to 3 years	3 to 5 years	
Borrowings	15,698.17	21,678.30	13,958.64	19,629.72
Trade Payables	1,696.09	-	-	-
Lease Liabilities	77.22	126.68	42.44	129.22
Other Financial Liabilities	1,169.53	-	-	-
	<b>18,641.01</b>	<b>21,804.98</b>	<b>14,001.08</b>	<b>19,758.94</b>

Maturities of Financial Liabilities	(Rs. in Crores)			
	Upto 1 year	As at March 31, 2021		5 years & above
		1 to 3 years	3 to 5 years	
Borrowings	14,708.85	19,128.78	10,836.80	5,258.24
Trade Payables	1,178.39	-	-	-
Derivative Financial Liabilities	6.43	-	-	-
Lease Liabilities	67.35	81.73	47.85	121.09
Other Financial Liabilities	270.80	-	-	-
	<b>16,231.82</b>	<b>19,210.51</b>	<b>10,884.65</b>	<b>5,379.34</b>

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

Maturities of Financial Assets	(Rs. in Crores)			
	Upto 1 year	As at March 31, 2022		5 years & above
		1 to 3 years	3 to 5 years	
Investments & Loans (Gross of ECL)	18,756.38	30,380.57	17,322.68	29,359.32
Security deposits*	3.52	139.10	-	-
Trade Receivables (Gross of ECL)	1,687.39	-	-	-
	<b>20,447.29</b>	<b>30,519.67</b>	<b>17,322.68</b>	<b>29,359.32</b>

Maturities of Financial Assets	(Rs. in Crores)			
	Upto 1 year	As at March 31, 2021		5 years & above
		1 to 3 years	3 to 5 years	
Investments & Loans (Gross of ECL)	7,697.22	23,408.24	14,070.15	14,059.89
Security deposits*	407.33	398.16	-	-
Trade Receivables (Gross of ECL)	1,600.15	-	-	-
	<b>9,704.70</b>	<b>23,806.40</b>	<b>14,070.15</b>	<b>14,059.89</b>

\*to the extent considered for the group liquidity management

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as at March 31, 2022.

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

In case of loan commitments, the expected maturities are as under:

Particulars	(Rs. in Crores)			
	As at March 31, 2022		As at March 31, 2021	
	Upto 1 year	1 to 3 years	Upto 1 year	1 to 3 years
Commitment to invest in Loans / Inter Company Deposits	3,165.83	-	-	-
Commitment to invest in AIF	-	78.09	-	2.66
<b>TOTAL</b>	<b>3,165.83</b>	<b>78.09</b>	<b>-</b>	<b>2.66</b>

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





**Commitment as on March 31, 2022**

Fund Name	Total Commitment (USD Mio)	Balance Commitment (USD Mio)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund	-	-	3,383.02	153.27
India Resurgence Fund - Scheme 2	100.00	66.04	737.37	500.61
Piramal Structured Credit Opportunities Fund	-	-	532.00	320.00

**Commitment as on March 31, 2021**

Fund Name	Total Commitment (USD Mio)	Balance Commitment (USD Mio)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund	-	-	2,732.27	344.27
India Resurgence Fund - Scheme 2	100.00	75.34	731.15	550.85
Nyca Investment Fund III, LP	5.00	3.13	36.56	22.85
Piramal Structured Credit Opportunities Fund	-	-	2,147.40	1,943.37

**b. Interest Rate Risk Management**

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Group has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(Rs. in Crores)	
	As at	As at
	March 31, 2022	March 31, 2021
Variable rate borrowings	18,856.48	18,964.67
Fixed rate borrowings	36,584.02	20,541.77
	<b>55,440.50</b>	<b>39,506.44</b>

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

If interest rates related to borrowings had been 100 basis points higher/lower and all other variables were held constant for INR loans, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2022 would decrease/increase by Rs. 153.99 Crores (Previous year Rs.165.06 Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

If interest rates related to borrowings had been 25 basis points higher/lower and all other variables were held constant for Foreign currency loans, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2022 would decrease/increase by Rs. 8.95 Crores (Previous year Rs. 6.19Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

If interest rates related to loans given / debentures invested had been 100 basis points higher/lower and all other variables were held constant, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2022 would increase/decrease by Rs. 569.94 Crores (Previous year Rs. 245.39 Crores) respectively. This is attributable to the Group's exposure to lendings at floating interest rates.

**c. Other price risks**

The Group is exposed to equity price risks arising from equity investments and classified in the balances sheet at fair value through Other Comprehensive Income.

**Equity price sensitivity analysis:**

The table below summarises the impact of increases/decreases on the Group's Equity and OCI for the period. Analysis is based on the assumption that equity index had increased/decreased by 5% with all the other variables held constant, and these investments moved in the line with the index.

Particulars	(Rs. in crores)	
	Impact on OCI	
	As at March 31, 2022	As at March 31, 2021
Equity Index, Increase by 5%	71.82	72.80
Equity Index, Decrease by 5%	(71.82)	(72.80)

The Group has designated the following securities as FVTOCI Investments (Refer note 4):

Shriram City Union Finance Limited  
Clarivate Plc

The Group chose this presentation alternative because the investment were made for strategic purposes rather than with a view to profit on subsequent sale, and there are no plans to dispose of these investments.

d. Foreign Currency Risk Management

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

a) Derivatives outstanding as at the reporting date

i. Hedge of firm commitment and highly probable forecast transactions	As at March 31, 2022		As at March 31, 2021	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
Forward contracts to sell USD / INR	140.00	1,083.05	176.00	1,328.97

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

Currencies	As at March 31, 2022				As at March 31, 2021			
	Trade receivables		Trade receivables		Trade receivables		Trade receivables	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
EUR	14.68	123.64	18.83	161.28				
USD	87.23	658.03	87.63	640.73				
GBP	2.22	22.08	11.85	119.12				
AUD	0.73	4.14	0.36	2.18				
CHF	0.09	0.74	-	-				
CAD	7.30	44.15	7.45	43.24				
ZAR	9.73	5.08	64.5	31.81				
SGD	0.08	0.43	0.15	0.80				
HKD	0.46	0.44	0.80	0.79				
IDR	36,175.29	19.17	29,907.10	14.95				
YEN	226.89	14.10	144.90	9.57				
CZK	45.53	15.66	27.59	9.05				

Currencies	As at March 31, 2022				As at March 31, 2021			
	Trade payables		Trade payables		Trade payables		Trade payables	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
CHF	0.20	1.65	0.29	2.28				
EUR	1.61	13.59	0.55	4.73				
GBP	0.93	9.28	5.37	53.73				
JPY	6.29	0.39	2.41	0.16				
SEK	-	-	0.03	0.02				
USD	27.80	205.79	36.57	267.36				
INR	-	-	279.44	27.94				
HKD	0.03	0.02	-	0.02				
THB	0.43	0.10	0.77	0.18				
AUD	0.01	0.03	0.01	0.05				
CAD	(0.00)	(0.02)	0.00	0.03				
IDR	12,981.62	6.88	23,933.80	11.97				
CZK	0.64	0.22	0.65	0.23				
AED	0.07	0.14	0.04	0.08				
RUB	-	-	0.02	*				

Currencies	As at March 31, 2022				As at March 31, 2021			
	Loan from Banks		Current Account Balances		Loan from Banks		Current Account Balances	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
USD	-	-	33.90	257.05	0.23	60.20	18.07	132.13
GBP	0.78	7.80	0.02	0.17	-	-	0.01	0.06
EUR	1.87	15.78	(11.13)	(93.70)	0.90	7.56	(11.94)	(102.37)
CHF	-	-	-	-	-	-	-	-
CAD	-	-	-	-	-	-	-	-
CNY	-	-	-	-	-	-	0.02	0.13
RUB	-	-	0.21	0.25	-	-	-	-
	-	-	0.90	0.20	-	-	5.38	0.53

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

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

Currencies	Increase/Decrease	For the year ended March 31, 2022				For the year ended March 31, 2021			
		Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year (Rs. In Crores)	Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year (Rs. In Crores)
USD	Increase by 5%#	120.91	27.80	3.79	35.29	112.69	44.80	3.66	24.82
USD	Decrease by 5%#	120.91	27.80	(3.79)	(35.29)	112.69	44.80	(3.66)	(24.82)
GBP	Increase by 5%#	2.05	1.71	4.97	0.17	11.86	5.37	(5.04)	(3.27)
GBP	Decrease by 5%#	2.05	1.71	(4.97)	(0.17)	11.86	5.37	(5.04)	(3.27)
EUR	Increase by 5%#	14.91	14.61	4.21	0.13	20.26	12.49	(4.29)	(3.33)
EUR	Decrease by 5%#	14.91	14.61	(4.21)	(0.13)	20.26	12.49	(4.29)	(3.33)
CHF	Increase by 5%#	0.10	0.20	4.10	(0.04)	-	0.29	3.88	(0.11)
CHF	Decrease by 5%#	0.10	0.20	(4.10)	0.04	-	0.29	(3.88)	0.11

\*Below the rounding off threshold applied by the Group.

# Holding all the variables constant



**PIRAMAL ENTERPRISES LIMITED**

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

**e. Accounting for cash flow hedge**

**(I) Cross-currency Interest Rate Swap**

The Group has taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the Group has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Group has designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the CCIRS, the Group pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

Following table provides quantitative information regarding the hedging instrument as on March 31, 2022:

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments (Included under "other current and non-current financial liabilities")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	(Liabilities)	(Liabilities)					
<b>Cash Flow Hedge</b>							
Foreign currency and Interest rate risk	522.64	27.49	14-Jun-24	1 : 1	9.30%	33.28	20.29

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2022:

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	(Rs. in crores)	
			Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
<b>Cash flow hedge</b>				
Interest Rate risk and Foreign Exchange Risk	33.28		0.09	Finance Cost
			20.21	Foreign Exchange (gain)/loss

Following table provides quantitative information regarding the hedging instrument as on March 31, 2021:

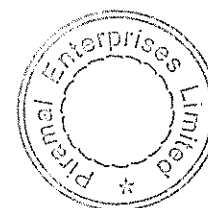
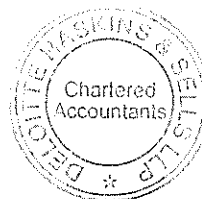
Type of hedge and risks	Nominal value	Carrying amount of hedging instruments (Included under "other current and non-current financial liabilities")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	(Liabilities)	(Liabilities)					
<b>Cash Flow Hedge</b>							
Foreign currency and Interest rate risk	522.64	5.79	14-Jun-24	1:1	9.30%	23.63	(21.67)

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2021:

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	(Rs. in crores)	
			Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
<b>Cash flow hedge</b>				
Interest Rate risk and Foreign Exchange Risk	23.63		(2.77)	Finance Cost
			(18.90)	Foreign Exchange (gain)/loss

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

Particulars	(Rs. in crores)
<b>As on March 31, 2020</b>	
Changes in fair value of CCIRS	(14.27)
Amounts reclassified to profit or loss	(23.86)
Deferred taxes related to above	(21.67)
	0.50
<b>As on March 31, 2021</b>	(15.96)
Changes in fair value of CCIRS	(33.28)
Amounts reclassified to profit or loss	20.29
Deferred taxes related to above	(3.27)
<b>As on March 31, 2022</b>	(6.24)



**(ii) Accounting for cash flow hedge**

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

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

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

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

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

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

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

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

**As at March 31, 2022** (Rs. in Crores)

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	13.00 (USD)	6.26	-	0.53	-	Not applicable	5.95	Revenue

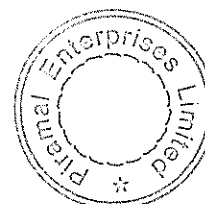
**As at March 31, 2021** (Rs. in Crores)

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	11.30 (USD)	-	16.36	13.41	-	Not applicable	6.64	Revenue

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

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

Movement in Cash flow hedge reserve for the years ended	March 31, 2022 (Rs. in Crores)
<b>As on April 1, 2020</b>	(14.32)
Effective portion of changes in fair value:	
Foreign exchange forward contracts	17.19
Tax on movements on reserves during the period	(3.78)
<b>Net amount classified to Profit &amp; Loss</b>	
Foreign exchange forward contracts	8.16
Tax on movements on reserves during the year	(1.51)
<b>As on March 31, 2021</b>	5.74
Effective portion of changes in fair value:	
Foreign exchange forward contracts	0.71
Tax on movements on reserves during the year	(0.18)
<b>Net amount reclassified to profit or loss:</b>	
Foreign exchange forward contracts	7.82
Tax on movements on reserves during the year	(2.00)
<b>Closing balance (As on Mar 31, 2022)</b>	<b>12.09</b>



**(f) Credit Risk**

Typically, the receivables of the Group can be bifurcated in 2 categories:

1. Pharma Trade Receivables
2. Financial Services Receivables - (i) Loan Book primarily comprising of Real estate developers, Infrastructure Companies, Retail Housing Finance and Others; and (ii) Strategic Investment made in other body corporates.

Please refer Note 10 for risk mitigation techniques followed for Pharma Trade Receivables. Risk mitigation measures for Financial Services business are explained in the note below.

**Financial Services business:**

The Group is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Retail lending:**

For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

**Wholesale lending:**

For wholesale lending business, the Group's Risk management team has developed proprietary internal rating model to evaluate risk return trade-off for the loans and investments made by the Group. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

The lending exposure includes lending to the below sectors

Sectors	Exposure as at	
	March 31, 2022	March 31, 2021
Real Estate	50.52%	73.33%
Corporate Finance Group	7.24%	10.30%
Retail Housing Finance	38.08%	10.01%
Others	4.16%	6.36%

**Credit Risk Management**

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies or mutual funds.

**For retail lending business, credit risk management is achieved by considering various factors like :**

- Assessment of borrower's capability to pay – a detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters are assessed by an independent risk team.

- Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.

- Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region.

**For wholesale lending business, credit risk management is achieved by considering various factors like :**

- Cash flow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.

- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.

- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.

- Exit – This is an assessment of the liquidity of the loan or investment.

The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

- Good Deals with very high risk adjusted returns
- Investment Grade Deals with high risk adjusted returns
- Management Review Grade Deals with risk adjusted returns required as per lending policy
- Not Advisable Grade Deals with lower than required risk adjusted returns

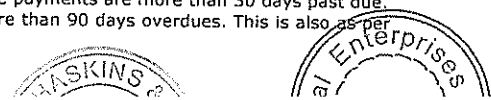
Further, a periodic review of the performance of the portfolio is also carried out by the Group's risk team. The Group's risk team adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

**Provision for Expected Credit Loss**

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking parameters, which are both qualitative and quantitative. These parameters have been detailed in note no.ix of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.





The Group provides for expected credit loss based on the following:

Category - Description	Stages	Basis for Recognition of Expected Credit Loss
Assets for which credit risk has not significantly increased from initial recognition	Stage 1 - Standard (Performing) Assets	12 month ECL
Assets for which credit risk has increased significantly but not credit impaired	Stage 2 - Significant Credit Deteriorated Assets	Life time ECL
Assets for which credit risk has increased significantly and credit impaired	Stage 3 - Default (Non-Performing) Assets (Credit Impaired)	Loss Given Default (LGD)
Purchased or Originated credit impaired (POCI)	POCI	Life time ECL

The Company has developed a PD Matrix consisting of various parameters suitably tailored for various facilities like grade of the borrower, past overdue history, status from monthly asset monitoring report, deal IRR, deal tenure remaining etc.

Based on these parameters the Company has computed the PD. The Company has also built in model scorecard to determine the internal LGD. However, since there has been no sufficient default history to substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD.

**Wholesale Lending:**

The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc. . Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc.) - (1) Sponsor strength (2) Overdues (3) Average Debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Company has computed the PD. The Company has also built in model scorecards to determine the internal LGD. However, due to lack of sufficient default history to statistically substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD. The Company also maintains Expected Credit Loss provision for undisbursed limits after applying the Credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

**Retail Lending:**

The Group uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of 5-year internal PD/LGD data, the Group uses external PD/LGD data from credit bureau agency (TransUnion for Mar-22) for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios.

**Impact of Covid -19 pandemic on the credit risk**

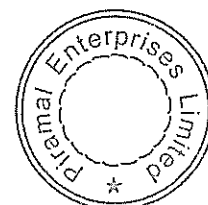
The outbreak of Covid-19 pandemic across the globe and in India had contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Group through it's financial services segment offers long term and short term retail housing finance and wholesale lending primarily to the real estate and infrastructure sector. In accordance with Reserve Bank of India (RBI) guidelines, the Group had proposed a moratorium benefit on the payment of principal instalments and / or interest, to all eligible borrowers classified as standard, even if overdue as on February 29, 2020 excluding the collections already made in the month of March 2020, basis approval by the management on a case to case basis. Accordingly, for all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period. (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the policy).

The Group had ran a scenario analysis as on March 31, 2020 using proprietary algorithm-based risk models on the portfolio taking into account the possible impact related to Covid - 19 pandemic.

The Group has, based on available information (internal and external) and economic forecasts, estimated and applied management overlays, for the purpose of determination of the provision for impairment of financial assets. The management continued to consider macroeconomic overlay similar to its previous study.

The revival of economic activity has since improved supported by relaxation of restrictions due to administration of the COVID vaccines to a large population in the country. The extent to which any new wave of COVID19 pandemic will impact the Group's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

As a result of uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these consolidated financial statements and the Group will continue to monitor any changes to the future economic conditions. Based on the current indicators of future economic conditions, the Group considers this provision to be adequate.



Expected Credit Loss as at the end of the reporting period:

As at March 31, 2022

Particulars	Asset Group	Exposure at Default	(Rs. in Crores)	
			Expected Credit Loss	Net amount
Very High quality liquid assets	Other Financial Assets and Loans to related parties and others	1,334.50	-	1,334.50
Assets for which credit risk has not significantly increased from initial recognition*	Investments at amortised cost	6,676.02	192.00	6,484.02
	Loans at amortised cost	45,620.98	816.32	44,804.66
Assets for which credit risk has increased significantly but are not credit impaired	Investments at amortised cost	1,613.81	811.24	802.57
	Loans at amortised cost	2,164.12	561.59	1,602.53
Assets for which credit risk has increased significantly and are credit impaired	Investments at amortised cost	517.33	289.68	227.65
	Loans at amortised cost	2,005.57	940.31	1,065.26
Purchased or Originated credit impaired (POCI)	Loans at amortised cost	3,465.00	-	3,465.00
<b>Total</b>		<b>63,397.33</b>	<b>3,611.14</b>	<b>59,786.19</b>

As at March 31, 2021

Particulars	Asset Group	Exposure at Default	(Rs. in Crores)	
			Expected Credit Loss	Net amount
Very High quality liquid assets	Other Financial Assets and Loans to related parties and others	1,125.51	-	1,125.51
Assets for which credit risk has not significantly increased from initial recognition*	Investments at amortised cost	7,873.92	235.82	7,638.10
	Loans at amortised cost	32,791.35	859.91	31,931.44
Assets for which credit risk has increased significantly but are not credit impaired	Investments at amortised cost	961.77	295.76	666.01
	Loans at amortised cost	1,581.18	278.89	1,302.29
Assets for which credit risk has increased significantly and are credit impaired	Investments at amortised cost	527.61	271.74	255.87
	Loans at amortised cost	1,499.23	767.82	731.41
<b>Total</b>		<b>46,360.57</b>	<b>2,709.94</b>	<b>43,650.63</b>

\* Includes Loans and Investment carried at FVTPL.

a) Reconciliation of Loss Allowance  
For the year ended March 31, 2022

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit-impaired	Purchased or Originated credit impaired (POCI)
Balance at the beginning of the year	1,095.73	574.65	1,039.55	-
Transferred to 12-month ECL	89.69	(88.27)	(1.42)	-
Transferred to Lifetime ECL not credit impaired	(28.93)	28.93	-	-
Transferred to Lifetime ECL credit impaired - collective provision	(11.09)	(0.79)	11.89	-
Bad debts written off	-	-	(30.58)	(16.45)
<u>Charge to Statement of Profit and Loss</u>				
On Account of Rate Change	(14.87)	-	-	-
On Account of Disbursements	242.76	737.91	245.05	16.45
On Account of Repayments	(359.78)	(15.37)	(35.48)	-
<b>Balance at the end of the year</b>	<b>1,013.51</b>	<b>1,372.83</b>	<b>1,229.99</b>	<b>-</b>

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

For the year ended March 31, 2021

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit-impaired
Balance at the beginning of the year	1,852.48	439.80	491.75
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	(33.33)	33.33	-
Transferred to Lifetime ECL credit impaired - collective provision	(29.81)	(37.90)	67.71
<b>Charge to Statement of Profit and Loss</b>			
On Account of Rate Change	(462.34)	-	-
On Account of Disbursements	504.82	140.08	482.04
On Account of Repayments	(736.09)	(0.66)	(1.95)
<b>Balance at the end of the year</b>	<b>1,095.73</b>	<b>574.65</b>	<b>1,039.55</b>

b) Expected Credit Loss on undrawn loan commitments / letter of comfort:

Particulars	(Rs. In crores)	
	March 31, 2022	March 31, 2021
Opening balance	109.83	188.19
Movement during the year	3.88	(78.36)
Closing balance	113.71	109.83

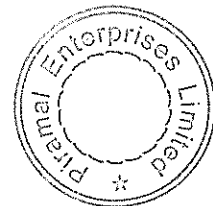
c) The amounts of Financial Assets outstanding in the Balance Sheet along with the undisbursed loan commitments and letter of comforts issued (refer note 4B (a)) as at the end of the reporting period represent the maximum exposure to credit risk.

**Description of Collateral held as security and other credit enhancements**

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

- i) First / Subservient charge on the Land and / or Building of the project or other projects
  - ii) First / Subservient charge on the fixed and current assets of the borrower
  - iii) Hypothecation over receivables from funded project or other projects of the borrower
  - iv) Pledge on Shares of the borrower or their related parties
  - v) Pledge on investment in shares made by borrower entity
  - vi) Guarantees of Promoters / Promoter Undertakings
  - vii) Post dated / Undated cheques
- d) The credit impaired assets as at the reporting dates were secured by charge on land and building, shares of listed entities, lease rentals and project receivables amounting to:

Particulars	(Rs. In Crores)	
	As at March 31, 2022	As at March 31, 2021
Value of Security	1,292.91	987.28



**PIRAMAL ENTERPRISES LIMITED**

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

**49 Movement in Provisions :**

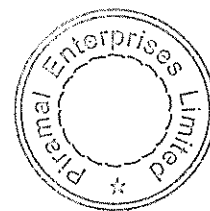
(Rs. in Crores)

Particulars	Litigations / Disputes		Onerous Contracts	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Balances as at the beginning of the year	3.50	3.50	0.08	0.11
Amount used	-	-	-	(0.04)
Revaluation of closing balances	-	-	*	0.01
<b>Balances as at the end of the year</b>	<b>3.50</b>	<b>3.50</b>	<b>0.08</b>	<b>0.08</b>
Classified as Non-current (Refer note 20)	-	-	0.08	0.08
Classified as Current (Refer note 26)	3.50	3.50	-	-
<b>Total</b>	<b>3.50</b>	<b>3.50</b>	<b>0.08</b>	<b>0.08</b>

\* below rounding off norms adopted by the Group

Provision for litigation / disputes represents claims against the Group not acknowledged as debts that are expected to materialise in respect of matters under litigation. Future cash outflows are determinable only on receipt of judgments/decisions pending with various forums/authorities.

Provision for Onerous contracts represents the amounts provided for contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.



**PIRAMAL ENTERPRISES LIMITED**

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

50 The Chief Operating Decision maker of the Company examines the Group's performance both from a product offerings and from a geographic perspective. From a product perspective, the management has identified the following reportable segments:

1. Pharmaceuticals Manufacturing and Services
2. Financial Services

1. **Pharmaceuticals Manufacturing and Services:** In this segment, the Group has a strong presence in Pharma Solutions, Critical Care and Consumer Products Services. The Company and certain subsidiaries act as a Contract Development and manufacturing organization offering both APIs and formulations. The Group's critical care business deals in the Inhalation anesthesia market. The group's consumer products business is primarily an India-centric consumer healthcare business with strong brands portfolio.

2. **Financial Services:** Company's financial services segment offers a complete suite of financial products to meet the diverse needs of its customers. The Company lends to various real estate developers and under special situation opportunities in various sectors and has investments in Shriram Group, through which the Company has exposure to retail financing segments.

Particulars	(Rs. In Crores)					
	Pharmaceuticals manufacturing and services		Financial services		Total	
	March 2022	March 2021	March 2022	March 2021	March 2022	March 2021
Revenue from operations	6,700.64	5,775.91	7,292.66	7,033.44	13,993.30	12,809.35
Segment Results after exceptional item	1,191.31	1,240.88	1,477.93	2,400.37	2,669.24	3,641.25
Add: Net Unallocated Income					47.16	157.71
Less: Finance cost (Unallocated)					193.94	120.74
Less: Depreciation					665.78	560.88
Total Profit Before Tax and share of net profit of associates and joint ventures, after exceptional items					1,856.68	3,117.34
Add: Share of net profit of associates and joint ventures accounted for using the equity method					652.88	338.43
Profit after share of net profit of associates and joint ventures and before tax					2,509.56	3,455.77
Less: Tax Expenses					510.79	2,042.91
Profit/ (Loss) from continuing operations after tax and share of profit of associates and joint ventures					1,998.77	1,412.86

Included in the above Segment results, is the Exceptional Items as mentioned below:

Particulars	(Rs. In Crores)							
	Pharmaceuticals manufacturing and services		Financial services		Unallocated		Total	
	March 2022	March 2021	March 2022	March 2021	March 2022	March 2021	March 2022	March 2021
Exceptional items	(15.08)	(41.94)	(142.72)	-	(10.20)	100.80	(168.00)	58.86
Total	(15.08)	(41.94)	(142.72)	-	(10.20)	100.80	(168.00)	58.86

Segment results of Pharmaceuticals manufacturing and services segment represent Earnings before Interest, Tax, Depreciation and Amortisation and Segment results of Financial services represent Earnings before Tax, Depreciation and Amortisation.

**Other Information**

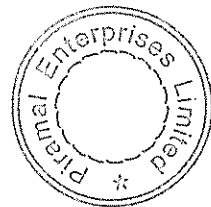
Particulars	(Rs. In Crores)					
	Pharmaceuticals manufacturing and services		Financial services		Total	
	March 2022	March 2021	March 2022	March 2021	March 2022	March 2021
Segment Assets						
Unallocable Corporate Assets	12,900.40	10,713.15	85,814.59	62,869.94	98,714.99	73,583.09
Total Assets					1,157.92	3,535.77
					99,872.91	77,118.86
Segment Liabilities						
Unallocable Corporate Liabilities	6,166.66	4,433.94	56,524.72	36,852.26	62,691.38	41,286.21
Total Liabilities					344.63	(693.70)
					63,036.01	40,592.51
Net Capital Expenditure (for continuing operations)	1,709.79	847.76	468.30	22.29	2,118.09	870.05
Depreciation and amortisation expense	592.75	506.55	56.69	31.84	649.44	538.39
Unallocable depreciation expense					16.34	22.49
Non Cash expenditure other than depreciation and amortisation	50.27	21.35	696.07	11.29	754.34	32.64
Unallocable non-cash expenditure other than above					-	77.50
The above segment assets and unallocated assets include:						
Investment in associates and joint ventures accounted for by the equity method					5,732.69	4,316.85

**Geographical Segments**

Particulars	(Rs. In Crores)					
	Within India		Outside India		Total	
	March 2022	March 2021	March 2022	March 2021	March 2022	March 2021
Revenue from operations	8,541.29	7,995.84	5,452.01	4,813.51	13,993.30	12,809.35
Carrying amount of Non current Assets*	4,965.74	3,563.82	5,419.74	5,006.72	10,385.48	8,570.54

\* Other than Financial assets, deferred tax assets and Net Advance Tax Paid

No customer contributed more than 10% of the total revenue of the Group





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

**51) Income taxes relating to operations**

**a) Tax expense recognised in statement of profit and loss**

	(Rs. in Crores)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Current tax</b>		
In respect of the current year	934.77	377.79
In respect of prior years	-	-
	<u>934.77</u>	<u>377.79</u>
<b>Deferred tax</b>		
Deferred Tax, net	(423.98)	406.83
Tax adjustment for earlier years *	-	1,258.29
	<u>(423.98)</u>	<u>1,665.12</u>
<b>Total tax expense recognised</b>	<u>510.79</u>	<u>2,042.91</u>
<b>Total tax expense attributable to from continuing operations</b>	510.79	2,042.91

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

	(Rs. in Crores)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income:		
Exchange loss on long term loans transferred to OCI	(5.38)	8.58
Fair value remeasurement of hedging instruments entered into for cash flow hedges	16.21	(12.36)
Changes in fair values of equity instruments	(47.97)	(10.46)
Remeasurement of defined benefit obligation	0.26	(0.26)
<b>Total tax expense recognised</b>	<u>(36.88)</u>	<u>(14.50)</u>

**c) Deferred tax balances**

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

Balance sheet:

Deferred tax assets (net)

Deferred tax liabilities (net)

	(Rs. in Crores)	
	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (net)	1,367.91	937.24
Deferred tax liabilities (net)	(192.20)	(222.68)
	<u>1,175.71</u>	<u>714.56</u>

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

**Movement of deferred tax during the year ended March 31, 2022**

Particulars	(Rs. in Crores)					
	Opening balance	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Acquisition through Business combination (Refer note 56)	Closing balance
<b>Deferred tax (liabilities) / assets in relation to:</b>						
Measurement of financial assets at amortised cost / fair value	105.38	82.00	-	47.97	-	235.35
Provision for expected credit loss on financial assets (including commitments)	704.89	148.43	-	-	-	853.32
Other Provisions	11.56	2.47	-	-	-	14.03
Receivable on assigned loans	-	32.61	-	-	-	32.61
Amortisation of expenses which are allowed in current year	0.19	(0.05)	-	-	-	0.14
Disallowances for items allowed on payment basis	42.36	69.49	1.39	(0.26)	-	112.98
Recognition of lease rent expense	1.35	0.92	-	-	-	2.27
Unrealised profit margin on inventory	29.41	(5.04)	-	-	-	24.37
Goodwill on merger of wholly owned subsidiaries	-	8.85	-	-	(8.85)	-
Property, Plant and Equipment and Intangible assets	(265.28)	(81.35)	(3.59)	-	-	(350.22)
Measurement of financial liabilities at amortised cost	(161.83)	84.87	-	-	-	(76.96)
Fair value measurement of derivative contracts	(4.46)	18.91	-	(16.21)	-	(1.76)
Other temporary differences	11.11	(2.04)	0.95	-	-	10.02
Exchange differences on long term loans designated as net investments transferred to OCI	-	-	-	-	-	-
Brought forward losses	-	(5.38)	-	5.38	-	-
<b>Total</b>	<u>714.56</u>	<u>423.98</u>	<u>9.14</u>	<u>36.88</u>	<u>(8.85)</u>	<u>1,175.71</u>

**Movement of deferred tax during the year ended March 31, 2021**

Particulars	(Rs. in Crores)					
	Opening balance	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Acquisition through Business combination (Refer note 58(i))	Closing balance
<b>Deferred tax (liabilities) / assets in relation to:</b>						
Measurement of financial assets at amortised cost / fair value	84.46	10.46	-	10.46	-	105.38
Provision for expected credit loss on financial assets (including commitments)	739.25	(34.36)	-	-	-	704.89
Other Provisions	40.09	(28.53)	-	-	-	11.56
Amortisation of expenses which are allowed in current year	0.23	(0.04)	-	-	-	0.19
Disallowances for items allowed on payment basis	55.80	(13.41)	(0.29)	0.26	-	42.36
Recognition of lease rent expense	1.31	0.04	-	-	-	1.35
Unrealised profit margin on inventory	22.92	6.49	-	-	-	29.41
Tax adjustment of earlier years *	1,258.29	(1,258.29)	-	-	-	-
Property, Plant and Equipment and Intangible assets	(242.04)	(8.93)	1.38	-	(15.69)	(265.28)
Measurement of financial assets at amortised cost/fair value	-	-	-	-	-	-
Measurement of financial liabilities at amortised cost	(87.09)	(74.74)	-	-	-	(161.83)
Fair value measurement of derivative contracts	4.45	(21.27)	-	12.36	-	(4.46)
Share of undistributed earnings of associates	-	-	-	-	-	-
Other temporary differences	8.59	2.49	0.03	-	-	11.11
Exchange differences on long term loans designated as net investments transferred to OCI	-	-	-	-	-	-
Brought forward losses	-	8.58	-	(8.58)	-	-
<b>Total</b>	<u>2,364.10</u>	<u>(1,665.12)</u>	<u>16.77</u>	<u>14.50</u>	<u>(15.69)</u>	<u>714.56</u>

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

Particulars	(Rs. in Crores)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Consolidated Profit before tax from continuing and discontinuing operations (after exceptional items)	1,856.68	3,117.34
Income tax expense calculated at 25.17%	467.33	784.63
Effect of expenses that are not deductible in determining taxable profit	14.32	31.36
Utilisation of previously unrecognised tax losses	(21.97)	(17.83)
Effect of incomes which are taxed at different rates	(9.28)	(5.22)
Effect of incomes which are exempt from tax	(1.37)	-
Deferred tax asset created on unrecognised tax losses of previous years	(47.94)	(49.29)
Tax losses for which no deferred income tax is recognised	-	38.96
Temporary differences for which no deferred income tax was recognised	68.16	14.87
Unrealised profit margin on inventory on which deferred tax asset is not created	(0.82)	(0.22)
Effect of deduction in tax for interest on Compulsory Convertible Debentures	(8.05)	(36.94)
Tax adjustment for earlier years*	-	1,258.29
Effect of difference in amortised cost and carrying amount of loan portfolio	-	(5.89)
Effect of deduction from dividend income	(10.18)	(6.76)
Effect of business loss off set against capital gain recognised in capital reserve	-	8.90
Others	60.59	28.05
<b>Income tax expense recognised in consolidated statement of profit and loss</b>	<b>510.79</b>	<b>2,042.91</b>

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

In assessing the realizability of deferred tax assets, the Group considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits (after considering the Covid-19 impact) during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

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

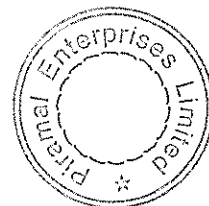
In addition to this, during the current year ended March 31, 2022, the Group has recognized Deferred Tax Asset of Rs. 47.94 Crores (Previous Year: Rs. 49.29 Crores) on unused tax losses, considering profits in the past 2 years and reasonable certainty of realisation of such deferred tax asset in the future years.

Deferred tax asset amounting to Rs. 399.37 crores and Rs. 364.45 crores (excluding the amount already recognised to the extent of Deferred Tax Liabilities amounting to Rs. 113.47 Crores and Rs. 1.57 Crores) as at March 31, 2022 and March 31, 2021, respectively in respect of unused tax losses, temporary differences and tax credits was not recognized by the Group, considering that the Company and its subsidiaries had a history of tax losses for recent years. Unrecognized Deferred tax of Rs. 185.45 Crores and Rs. 124.66 Crores as at March 31, 2022 and March 31, 2021 are attributable to carry forward tax losses which are not subject to expiration dates. The remaining unrecognized deferred tax of Rs. 213.90 Crores and Rs. 239.99 Crores as at March 31, 2022 and March 31, 2021 respectively are attributable to carry forward tax losses which expires in various years upto December 31, 2037.

Deferred income taxes are not recognised on the undistributed earnings of subsidiaries, associates or joint ventures, where it is expected that the earnings will not be distributed in the foreseeable future or where the tax credit can be availed by the holding company

\* For the year ended March 31, 2021 -

Pursuant to goodwill being taken out of the purview of tax depreciation w.e.f. April 1, 2020 by Finance Bill enacted in March 2021, the group has, during the year ended March 31, 2021, de-recognized deferred tax asset of Rs. 1,258.29 crores created earlier on certain tax deductible goodwill.



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

**52 (a). Disclosures mandated by Schedule III by way of additional information**

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2022		Share In Profit for the year ended March 31, 2022		Share in Other Comprehensive Income for the year ended March 31, 2022		Share in Total Comprehensive Income for the year ended March 31, 2022	
	As a % of Consolidated net assets	Amount (Rs. in Crores)	As a % of Consolidated profit	Amount (Rs. in Crores)	As a % of Consolidated Other Comprehensive Income	Amount (Rs. in Crores)	As a % of Consolidated Total Comprehensive Income	Amount (Rs. in Crores)
<b>Parent</b>								
Piramal Enterprises Limited	65.15%	23,122.15	28.64%	572.42	38.58%	28.14	26.99%	600.57
<b>Subsidiaries - Indian</b>								
Piramal Pharma Limited	14.28%	5,067.35	17.16%	343.04	9.28%	6.77	16.89%	349.81
Convergence Chemicals Private Limited (w.e.f February 24, 2021)	0.41%	146.07	0.73%	14.49	-0.17%	(0.13)	0.69%	14.36
Hemmo Pharmaceuticals Private Limited (w.e.f. June 22, 2021)	0.38%	134.49	1.32%	26.47	-0.13%	(0.09)	1.27%	26.38
PHL FinInvest Private Limited	15.87%	5,631.12	21.28%	425.28	0.30%	0.22	20.54%	425.50
Piramal Capital and Housing Finance Limited	-0.01%	(3.98)	0.35%	7.01	1.11%	0.81	0.38%	7.82
PEL Finhold Private Limited	62.52%	22,188.31	27.04%	540.50	-92.12%	(67.20)	22.85%	473.30
Piramal Investment Advisory Services Private Limited	0.00%	1.41	-0.10%	(1.97)	0.00%	-	-0.10%	(1.97)
Piramal Consumer Products Private Limited	0.05%	17.84	0.53%	10.62	0.00%	-	0.51%	10.62
Piramal Systems & Technologies Private Limited	0.07%	23.08	0.06%	1.21	0.00%	-	0.06%	1.21
Piramal Investment Opportunities Fund	0.00%	0.06	0.29%	5.88	0.00%	-	0.28%	5.88
Piramal Asset Management Private Limited	0.01%	5.03	0.00%	0.00	0.30%	-	0.00%	0.00
Piramal Securities Limited	-0.05%	(16.25)	-0.52%	(10.36)	-1.05%	(0.77)	-0.54%	(11.13)
Piramal Finance Sales & Services Private Limited	0.05%	16.53	0.07%	1.46	0.00%	-	0.07%	1.46
Viridis Power Investment Managers Private Limited	0.00%	1.21	0.03%	0.58	0.00%	-	0.03%	0.58
Viridis Infrastructure Investment Managers Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Subsidiaries - Foreign</b>								
Piramal International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Holdings (Suisse) SA	0.09%	31.26	0.51%	10.26	1.74%	1.27	0.56%	11.53
Piramal Technologies SA	-0.07%	(24.74)	0.55%	10.99	-2.17%	(1.58)	0.45%	9.41
INDIAREIT Investment Management Co.	0.22%	79.42	0.53%	10.59	4.52%	3.29	0.67%	13.88
Piramal Asset Management Private Limited, Singapore	0.02%	7.49	0.09%	1.77	0.32%	0.23	0.10%	2.00
Piramal Dutch Holdings N.V.	5.11%	1,812.15	-3.03%	(60.63)	-37.37%	(27.26)	-4.24%	(87.89)
Piramal Healthcare Inc.	4.12%	1,462.87	11.22%	224.26	56.59%	41.28	12.82%	265.54
Piramal Critical Care, Inc.	2.44%	865.75	5.97%	119.28	42.46%	30.97	7.25%	150.25
Piramal Pharma Inc.	0.04%	13.77	0.00%	(0.09)	0.67%	0.49	0.02%	0.40
PEL Pharma Inc.	-0.16%	(56.74)	-1.15%	(23.01)	-28.41%	(20.72)	-2.11%	(43.73)
Ash Stevens LLC	1.73%	612.56	1.82%	36.45	28.79%	21.00	2.77%	57.45
Piramal Pharma Solutions Inc.	-1.41%	(501.27)	-4.03%	(80.52)	-21.63%	(15.78)	-4.65%	(96.30)
Piramal Critical Care Italia, S.P.A	0.05%	18.45	-0.14%	(2.81)	-0.41%	(0.30)	-0.15%	(3.11)
Piramal Critical Care Deutschland GmbH	0.03%	9.22	-0.55%	(10.97)	-0.44%	(0.32)	-0.54%	(11.29)
Piramal Healthcare (UK) Limited	1.92%	681.25	0.72%	14.44	-11.78%	(8.59)	0.28%	5.85
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	0.19%	66.89	-4.65%	(93.00)	5.29%	3.86	-4.30%	(89.14)
Piramal Healthcare (Canada) Limited	1.98%	703.30	3.60%	71.89	37.31%	27.21	4.78%	99.10
Piramal Critical Care South Africa (Pty) Ltd	0.02%	7.54	0.10%	2.00	0.52%	0.38	0.12%	2.38
Piramal Critical Care B.V.	-0.10%	(34.12)	-1.44%	(28.72)	1.24%	0.91	-1.34%	(27.81)
Piramal Pharma Japan GK (w.e.f. November 05, 2021)	0.01%	2.71	0.03%	0.52	0.09%	0.06	0.03%	0.58
PEL Healthcare LLC (w.e.f June 26, 2020)	0.00%	0.50	-0.01%	(0.13)	-0.05%	(0.03)	-0.01%	(0.16)
Piramal Dutch IM Holdco B.V.	0.24%	85.27	-2.28%	(45.56)	5.31%	3.88	-2.01%	(41.68)
<b>Non Controlling Interests in all subsidiaries Associates (Investment as per the equity method)</b>	<b>3.80%</b>	<b>1,347.78</b>	<b>3.79%</b>	<b>75.66</b>	<b>27.24%</b>	<b>19.87</b>	<b>4.61%</b>	<b>95.53</b>
<b>Indian</b>								
Allergan India Private Limited	0.22%	78.09	2.96%	59.07	0.00%	-	2.85%	59.07
Yapan Bio Private Limited (w.e.f. December 20, 2021)	0.29%	101.73	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
<b>Joint Venture (Investment as per the equity method)</b>								
<b>Indian</b>								
Shrilekha Business Consultancy Private Limited	11.34%	4,026.12	19.23%	384.43	0.00%	-	18.56%	384.43
India Resurgence ARC Private Limited	0.24%	83.54	1.58%	31.52	0.00%	-	1.52%	31.52
India Resurgence Asset Management Business Private Limited	0.02%	5.94	0.05%	0.94	0.00%	-	0.05%	0.94
Pramerica Life Insurance Company Limited	2.70%	957.37	0.72%	14.41	-105.93%	(77.27)	-3.03%	(62.86)
Piramal Ivanhoe Residential Equity Fund I	0.00%	-	1.55%	31.07	0.00%	-	1.50%	31.07
India Resurgence Fund Scheme II	0.81%	285.88	3.64%	72.66	0.00%	-	3.51%	72.66
India Resurgence ARC Trust I	0.00%	-	1.22%	24.47	0.00%	-	1.18%	24.47
Piramal Structured Credit Opportunities Fund	0.47%	166.12	0.47%	9.44	0.00%	-	0.46%	9.44
<b>Foreign</b>								
Asset Resurgence Mauritius Manager	0.08%	27.89	1.25%	24.91	0.00%	-	1.20%	24.91
<b>Consolidation Adjustments</b>	<b>-95.56%</b>	<b>(33,911.99)</b>	<b>-41.60%</b>	<b>(831.57)</b>	<b>141.81%</b>	<b>103.43</b>	<b>-35.15%</b>	<b>(728.14)</b>
<b>Total</b>	<b>100.00%</b>	<b>35,489.13</b>	<b>100.00%</b>	<b>1,998.77</b>	<b>100.00%</b>	<b>72.94</b>	<b>100.00%</b>	<b>2,071.71</b>

52 (b). Disclosures mandated by Schedule III by way of additional information

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2021		Share in Profit for the year ended March 31, 2021		Share in Other Comprehensive Income for the year ended March 31, 2021		Share in Total Comprehensive Income for the year ended March 31, 2021	
	As a % of Consolidated net assets	Amount (Rs. in Crores)	As a % of Consolidated profit	Amount (Rs. in Crores)	As a % of Consolidated Other Comprehensive Income	Amount (Rs. in Crores)	As a % of Consolidated Total Comprehensive Income	Amount (Rs. in Crores)
<b>Parent</b>								
Piramal Enterprises Limited	68.15%	23,183.74	-10.53%	(148.77)	99.49%	384.87	13.12%	236.10
<b>Subsidiaries</b>								
<b>Indian</b>								
Piramal Pharma Limited	12.05%	4,100.83	33.84%	478.18	0.85%	3.28	26.75%	481.46
Convergence Chemicals Private Limited (w.e.f February 24, 2021)	0.39%	131.78	-0.03%	(0.48)	7.76%	30.01	1.64%	29.53
PHL Fininvest Private Limited	15.30%	5,205.62	34.76%	491.15	-0.12%	(0.47)	27.26%	490.68
Piramal Fund Management Private Limited	-0.03%	(11.80)	-2.46%	(34.71)	0.16%	0.62	-1.89%	(34.09)
Piramal Capital and Housing Finance Limited	63.16%	21,486.87	73.22%	1,034.44	0.17%	0.65	57.51%	1,035.09
PEL Finhold Private Limited	-0.06%	(20.12)	-4.65%	(65.65)	0.00%	-	-3.65%	(65.65)
Piramal Investment Advisory Services Private	0.02%	7.22	0.48%	6.81	0.00%	-	0.38%	6.81
Piramal Consumer Products Private Limited	0.06%	21.87	0.04%	0.56	0.00%	-	0.03%	0.56
Piramal Systems & Technologies Private Limited	-0.15%	(50.76)	-3.55%	(50.18)	0.00%	-	-2.79%	(50.18)
Piramal Investment Opportunities Fund	0.01%	5.00	0.00%	-	0.00%	-	0.00%	-
Piramal Asset Management Private Limited	-0.02%	(5.13)	-0.03%	(0.41)	0.00%	-	-0.02%	(0.41)
Piramal Securities Limited	0.04%	15.07	0.04%	0.61	0.00%	-	0.03%	0.61
Piramal Finance Sales & Services Private Limited	0.00%	0.63	0.04%	0.53	0.00%	-	0.03%	0.53
Viridis Power Investment Managers Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Viridis Infrastructure Investment Managers Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
<b>Foreign</b>								
Piramal International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Holdings (Suisse) SA	0.06%	19.73	0.51%	7.21	0.17%	0.67	0.44%	7.88
Piramal Technologies SA	-0.10%	(34.15)	-1.62%	(22.90)	0.03%	0.13	-1.27%	(22.77)
INDIAREIT Investment Management Co.	0.32%	110.35	0.84%	11.82	-0.94%	(3.63)	0.46%	8.19
Piramal Asset Management Private Limited, Singapore	0.02%	5.63	0.16%	2.29	-0.04%	(0.15)	0.12%	2.14
Piramal Dutch Holdings N.V.	5.59%	1,900.04	-3.78%	(53.45)	5.93%	22.93	-1.70%	(30.52)
Piramal Healthcare Inc.	3.52%	1,197.34	0.66%	9.26	-9.16%	(35.43)	-1.45%	(26.17)
Piramal Critical Care, Inc.	2.65%	900.85	15.82%	223.56	-7.03%	(27.19)	10.91%	196.37
Piramal Pharma Inc.	0.04%	13.37	-0.06%	(0.85)	-0.12%	(0.48)	-0.07%	(1.33)
PEL Pharma Inc.	-0.04%	(13.01)	-1.55%	(21.88)	4.87%	18.83	-0.17%	(3.05)
Ash Stevens LLC	1.63%	554.83	6.15%	86.94	-4.58%	(17.72)	3.85%	69.22
Piramal Pharma Solutions Inc.	-1.19%	(404.51)	-5.95%	(84.04)	3.24%	12.52	-3.97%	(71.52)
Piramal Critical Care Italia, S.P.A	0.06%	21.56	-0.46%	(6.55)	0.00%	(0.01)	-0.36%	(6.56)
Piramal Critical Care Deutschland GmbH	0.04%	13.08	-0.88%	(12.46)	-0.02%	(0.07)	-0.70%	(12.53)
Piramal Healthcare (UK) Limited	1.95%	675.32	0.49%	6.90	12.67%	49.03	3.11%	55.93
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	0.46%	156.04	-5.32%	(75.15)	-1.72%	(6.65)	-4.55%	(81.80)
Piramal Healthcare (Canada) Limited	1.78%	604.19	8.43%	119.06	11.62%	44.95	9.11%	164.01
Piramal Critical Care South Africa (Pty) Ltd	0.02%	5.15	0.03%	0.48	0.18%	0.70	0.07%	1.18
Piramal Critical Care B.V.	-0.02%	(6.30)	-1.18%	(16.69)	0.13%	0.52	-0.90%	(16.17)
Piramal Critical Care Pty. Ltd.	0.01%	2.41	0.01%	0.09	0.11%	0.42	0.03%	0.51
PEL Healthcare LLC (w.e.f June 26, 2020)	0.37%	127.30	-0.50%	(7.09)	0.98%	3.79	-0.18%	(3.30)
Piramal Dutch IM Holdco B.V.	0.42%	144.48	0.18%	2.58	-0.02%	(0.07)	0.14%	2.51
PEL-DRG Dutch Holdco B.V.	1.10%	375.31	5.29%	74.79	-4.45%	(17.23)	3.20%	57.56
		-		-		-		-
<b>Non Controlling Interests in all subsidiaries</b>	3.30%	1,121.00	5.70%	80.52	2.60%	10.06	5.03%	90.58
<b>Associates (Investment as per the equity method)</b>								
<b>Indian</b>								
Allergan India Private Limited	0.32%	109.67	2.82%	39.84	0.00%	-	2.21%	39.84
Shriram Capital Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
<b>Joint Venture (Investment as per the equity method)</b>								
<b>Indian</b>								
Shrilekha Business Consultancy Private Limited	10.88%	3,700.50	16.93%	239.16	0.00%	-	13.29%	239.16
Convergence Chemicals Private Limited (till February 23, 2021)	0.00%	-	0.28%	3.92	0.00%	-	0.22%	3.92
India Resurgence ARC Private Limited	0.15%	52.03	0.00%	-	0.00%	-	0.00%	-
India Resurgence Asset Management Business Private Limited	0.01%	5.00	0.00%	-	0.00%	-	0.00%	-
Piramal Ivanhoe Residential Equity Fund I	0.42%	142.87	0.22%	3.05	0.00%	-	0.17%	3.05
India Resurgence Fund Scheme II	0.60%	204.32	3.47%	49.03	0.00%	-	2.72%	49.03
India Resurgence ARC Trust I	0.14%	48.69	0.00%	-	0.00%	-	0.00%	-
Piramal Structured Credit Opportunities Fund	0.15%	50.78	0.39%	5.56	0.00%	-	0.31%	5.56
<b>Foreign</b>								
Asset Resurgence Mauritius Manager	0.01%	2.98	-0.15%	(2.13)	0.00%	-	-0.12%	(2.13)
Consolidation Adjustments	-93.66%	(31,859.74)	-68.11%	(962.09)	-22.76%	(88.03)	-58.35%	(1,050.12)
<b>Total</b>	<b>100.00%</b>	<b>34,017.96</b>	<b>100.00%</b>	<b>1,412.86</b>	<b>100.00%</b>	<b>386.85</b>	<b>100.00%</b>	<b>1,799.71</b>



**L. ENTERPRISES LIMITED**  
the Consolidated financial statements for the year ended March 31, 2022

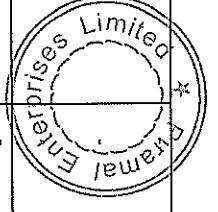
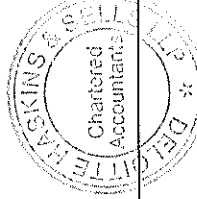
**Fair Value Measurement**  
Financial Instruments by category:

Categories of Financial Instruments:	March 31, 2022			March 31, 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investments	9,889.39	1,436.48	7,797.95	7,901.84	1,456.07	8,354.50
Loans	3,057.26	-	46,260.67	1,551.39	-	30,881.89
Cash & Bank Balances	-	-	7,184.75	-	-	7,024.72
Trade Receivables	-	-	1,621.23	-	-	1,544.73
Other Financial Assets	34.97	-	1,286.39	17.07	-	1,108.44
	<b>12,981.62</b>	<b>1,436.48</b>	<b>64,150.99</b>	<b>9,470.30</b>	<b>1,456.07</b>	<b>48,914.28</b>
<b>Financial liabilities</b>						
Borrowings (including Current Maturities of Long Term Debt)	-	-	55,451.00	-	-	39,369.16
Trade Payables	-	-	1,696.09	-	-	1,178.39
Other Financial Liabilities	-	-	1,421.49	6.43	-	458.70
	-	-	<b>58,568.58</b>	<b>6.43</b>	-	<b>41,006.25</b>

**Fair Value Hierarchy and Method of Valuation**

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

Financial Assets	(Rs. in Crores)					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
<b>Investments</b>						
Investments in Equity Shares	ii & iv.	57.04	6.66	-	50.38	57.04
Investments in debentures or bonds						
Redeemable Non-Convertible Debentures	i.	2,960.43	-	-	2,960.43	2,960.43
Investments in Mutual Funds	ii.	1,972.13	1,972.13	-	-	1,972.13
Investment in Alternative Investment Fund	vi.	4,164.77	-	-	4,164.77	4,164.77
Investments - Others	i & iv.	735.03	-	-	735.03	735.03
<b>Loans</b>						
Term Loans	i.	3,057.26	-	-	3,057.26	3,057.26
<b>Other Financial Assets</b>						
Derivative Financial Assets	iii.	34.97	-	34.97	-	34.97
<b>Measured at FVTOCI</b>						
Investments in Equity Instruments	ii.	1,436.48	1,436.48	-	-	1,436.48
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
<b>Investments</b>						
Investments in debentures or bonds (Gross of Expected Credit Loss)	iv.	9,078.93	373.17	280.89	8,696.49	9,350.55
<b>Loans</b>						
Term Loans (Gross of Expected Credit Loss)	iv.	48,481.87	-	-	59,668.08	59,668.08
Intercompany Deposits (Gross of Expected Credit Loss)	iv.	87.25	-	-	87.25	87.25
<b>Financial Liabilities</b>						
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
Derivative Financial Liabilities	iii.	-	-	-	-	-
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
Borrowings (including Current Maturities of Long Term Debt) (Gross)	v.	55,451.00	55,191.31	-	55,191.31	55,191.31





**IL ENTERPRISES LIMITED**  
**to the Consolidated financial statements for the year ended March 31, 2021**

**Fair Value Hierarchy and Method of Valuation continued**

	March 31, 2021				Total
	Notes	Carrying Value	Level 1	Level 2	
<b>Financial Assets</b>					
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>					
<b>Investments</b>					
Investments in Equity Shares	iv.	13.00	-	-	13.00
Investments in Debentures or bonds	i.	2,612.29	-	-	2,612.29
Redeemable Non-Convertible Debentures	ii.	2,155.20	2,155.20	-	2,155.20
Investments in Mutual Funds	vi.	3,121.35	-	-	3,121.35
Investment in Alternative Investment Fund/Venture Capital Funds					
<b>Loans</b>					
Term Loans	i.	1,551.39	-	-	1,551.39
<b>Other Financial Assets</b>					
Derivative Financial Assets	iii.	17.07	-	17.07	17.07
<b>Measured at FVTOCI</b>					
Investments in Equity Instruments	ii.	1,456.07	1,456.07	-	1,456.07
<b>Measured at Amortised Cost for which fair values are disclosed</b>					
<b>Investments</b>					
Investments in debentures or bonds (Gross of Expected Credit Loss)	iv.	9,157.82	-	-	9,048.25
<b>Loans</b>					
Term Loans (Gross of Expected Credit Loss)	iv.	32,677.18	-	-	32,814.62
Inter Corporate Deposits (Gross of Expected Credit Loss)	iv.	107.92	-	-	107.92
<b>Financial Liabilities</b>					
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>					
Derivative Financial Liabilities	iii.	6.43	-	6.43	6.43
<b>Measured at Amortised Cost for which fair values are disclosed</b>					
Borrowings (including Current Maturities of Long Term Debt) (Gross)	v.	39,369.16	-	-	39,615.33

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

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

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

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

**Valuation techniques used to determine the fair values:**

Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. or instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data.

his includes listed equity instruments, non convertible debentures and mutual funds which are fair valued using quoted prices and closing NAV in the market.

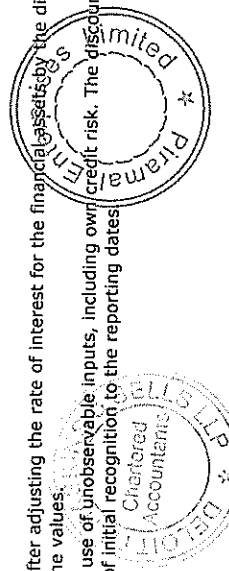
Interest rate swap has been used to determine the fair value. The fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date. The fair value of cross currency interest rate swap is calculated as the present value of future cash flow based on observable yield curves and forward exchange rates.

Discounted cash flow method basis contractual cash flow has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the government Securities rates from date of initial recognition to the reporting dates. Credit risk adjustment has not been considered while arriving at the values.

Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

Investments in Alternative Investment Funds and other funds are valued basis the net asset value received from the fund house.

Discounted cash flow method has been used to determine the fair value of contingent consideration.



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

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

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

	Term loans	Debentures	Alternative Investment Fund/Venture Capital Fund	Equity Shares	Share Warrants	Others	Total
<b>As at April 1, 2020</b>							
Acquisitions	889.89	2,626.21	565.79	10.33	1.48	-	4,093.70
Additional Accruals	662.35	248.20	2,479.17	5.57	-	-	3,395.28
Gains / (Losses) recognised in profit or loss	-	-	-	-	-	-	-
Gains / (Losses) recognised in other comprehensive income	71.29	(139.23)	84.74	(0.86)	(1.48)	-	14.47
Exchange Fluctuations	-	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-
Realisations	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>							
Acquisitions	(72.14)	(122.89)	(8.35)	(2.04)	-	-	(205.42)
Additional Accruals	1,551.39	2,612.29	3,121.35	13.00	-	-	7,298.04
Gains / (Losses) recognised in profit or loss	(129.00)	887.77	822.73	25.56	-	980.11	2,587.16
Transfer In/ (Out)	-	-	-	-	-	-	-
Transfer on account of reverse merger	-	217.95	462.61	-	-	(217.95)	462.61
Gains / (Losses) recognised in profit or loss	1,942.50	-	-	-	-	-	1,942.50
Gains / (Losses) recognised in other comprehensive income	70.80	(702.32)	474.25	17.73	-	(27.11)	(166.65)
Exchange Fluctuations	-	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-
Realisations	-	-	-	0.74	-	-	0.74
<b>As at March 31, 2022</b>	<b>3,057.26</b>	<b>2,960.43</b>	<b>4,164.77</b>	<b>57.02</b>	<b>-</b>	<b>735.05</b>	<b>10,974.54</b>

**d) Valuation Process**

The Company engages external valuation consultants to fair value below mentioned financial instruments measured at FVTPL. The main level 3 inputs used for investment in AIF / Venture capital fund, contingent consideration, term loans and debentures are as follows:

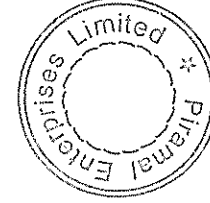
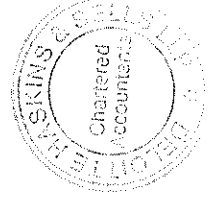
- 1) For Non Convertible Debentures and Term Loans, Waterfall approach has been used to arrive at the yields for securities held by the Company. For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted third party vendor for these data have been used.
- 2) For Alternative Investment Fund/Venture Capital Fund, Discounted cash flow method has been used to determine the fair value. The discounting factor has been computed using a mix of past trends as well as likely rate of return of the underlying projects.
- 3) For Contingent consideration, fair value has been estimated by allocating probability to achievement of financial milestones. Discount rate is determined using Capital Asset Pricing Model.

**e) Sensitivity for instruments:**

Nature of the instrument	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2022				Sensitivity Impact for the year ended March 31, 2021			
			Sensitivity Impact for the year ended March 31, 2022		Sensitivity Impact for the year ended March 31, 2021		Sensitivity Impact for the year ended March 31, 2022		Sensitivity Impact for the year ended March 31, 2021	
			FV Increase	FV Decrease	FV Increase	FV Decrease	FV Increase	FV Decrease	FV Increase	FV Decrease
Non Convertible Debentures	Discount rate	0.7%	(3.51)	3.54	(3.07)	3.11				
	Discount rate	0.7%	(1.90)	2.22	(5.39)	5.96				
Term Loans	Sale Price	5%	31.70	(31.70)	-	-				
Investment	Sale Price	5%	71.20	(71.30)	-	-				

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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



**PIRAMAL ENTERPRISES LIMITED**

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

**54 Leases**

**(I) Amounts recognised in the balance sheet**

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

Category of Asset	(Rs. in Crores)						
	Opening as on April 1, 2021	Acquisition through business combination *	Additions during 2021-22	Deductions during 2021-22	Depreciation for 2021-22	Foreign currency translation impact	Closing as on March 31, 2022
Building	182.30	86.27	43.42	2.53	67.17	4.47	246.76
Leasehold Land	5.81	54.09	6.68	0.47	0.27	-	65.84
Storage unit	0.08	-	-	0.08	-	-	0.00
Guest House	0.52	-	-	-	0.23	-	0.29
Equipments	0.76	0.50	0.00	-	0.52	-	0.74
IT Assets	3.92	-	-	-	2.83	-	1.09
<b>Total</b>	<b>193.40</b>	<b>140.86</b>	<b>50.10</b>	<b>3.08</b>	<b>71.02</b>	<b>4.47</b>	<b>314.72</b>

Lease liabilities as on 1st April, 2021

187.90

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

Category of Asset	(Rs. in Crores)						
	Opening as on April 1, 2020	Acquisition through business combination *	Additions during 2020-21	Deductions during 2020-21	Depreciation for 2020-21	Foreign currency translation impact	Closing as on March 31, 2021
Building	166.41	-	76.42	6.25	55.47	1.20	182.30
Leasehold Land	5.78	-	0.14	0.00	0.11	-	5.81
Storage unit	0.48	-	-	-	0.40	-	0.08
Guest House	0.30	-	0.56	-	0.34	-	0.52
Equipments	0.65	-	0.65	-	0.50	0.03	0.76
IT Assets	8.03	-	-	-	4.11	-	3.92
<b>Total</b>	<b>181.65</b>	<b>-</b>	<b>77.77</b>	<b>6.25</b>	<b>60.94</b>	<b>1.23</b>	<b>193.40</b>

Lease liabilities as on 1st April, 2020

183.67

\* Refer Note 56(A)

Year Ended  
March 31, 2022

(Rs. in Crores)  
Year Ended  
March 31, 2021

**(II) Amounts recognised in the statement of profit or loss**

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

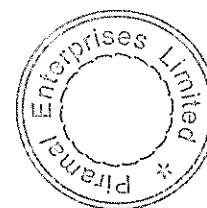
Interest expense on lease liabilities (included in finance cost)	12.96	14.83
Expense relating to short-term leases (included in Operating Expenses)	10.21	15.71
Expense relating to leases of low-value assets (other than short term leases as disclosed above) (included in Operating expenses)	28.62	22.11

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2021 ranges between 2.51% to 11.77% (Previous Year 12.51% to 11.77%).

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

(Rs. in Crores)

	As at March 31, 2022	As at March 31, 2021
1 year	77.22	67.35
1-3 years	126.68	81.73
3-5 years	42.44	47.85
More than 5 years	129.22	121.09



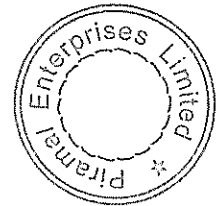
**PIRAMAL ENTERPRISES LIMITED**

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

**55 Investment Property**

Investment property, recorded at a carrying value of Rs. 1,335.31 crores, consists of land development rights acquired during the previous year ended March 31, 2021, without any restriction on its realisability and is being held for capital appreciation and eventual monetization by exploring various options.

In accordance with Ind AS 113, the fair value of investment property is determined by the Company at Rs. 1,734 crores (Previous Year: Rs. 1,579 crores) following the risk-adjusted discounted cash flow method and based on Level 3 inputs from an independent valuation expert, as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.



**PIRAMAL ENTERPRISES LIMITED**

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

**56 Business Combinations**

**A. Summary of acquisitions during the current period**

**(I) Acquisition of Hemmo Pharmaceuticals Private Limited (Hemmo)**

On June 22, 2021, the Group completed the acquisition of 100% stake in Hemmo Pharmaceuticals Private Limited ('Hemmo') pursuant to an agreement entered on March 31, 2021 for an upfront cash consideration of Rs. 775 crores and earn-outs linked to achievement of milestones. The Group has completed the purchase price allocation of the assets/liabilities acquired and consequently, measurement period changes have been adjusted to the goodwill. Balance consideration payable is Rs 89.91 crores. The acquisition will add peptide API development and manufacturing capabilities.

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

Particulars	Rs. In Crores
<b>Assets</b>	
Property, Plant and Equipment	36.13
Capital work in progress	0.11
Intangible assets	405.62
Intangible asset under development	197.87
Right of use assets	54.59
Investments	0.11
Other Non-current Assets	0.38
Inventory	26.34
Trade Receivables	20.44
Cash and cash equivalents & bank balances	77.02
Loans	0.40
Other Non-Current Financial Assets	0.44
Other current Assets	20.68
Deferred Tax Assets	0.95
<b>Total Assets</b>	<b>841.08</b>
<b>Liabilities</b>	
Trade payable	63.94
Other Current Liabilities	17.30
Lease Liability	0.06
Other Liabilities	0.03
Non-current Provisions	1.34
Current tax liabilities	1.57
Current Provisions	0.43
<b>Total Liabilities</b>	<b>84.67</b>
<b>Net identifiable assets acquired</b>	<b>756.41</b>

**(b) Calculation of goodwill**

Particulars	Rs. In Crores
Purchase consideration	901.47
Less: Net identifiable assets acquired	756.41
<b>Goodwill</b>	<b>145.06</b>

Goodwill is attributable to the synergies expected to arise from the combination of the acquired technical knowhow and the Piramal Group's global sales and marketing network which will augment the CDMO offering and allow PPL to provide integrated offerings across the pharmaceutical development cycle. Goodwill is not deductible for tax purpose.

**(c) Revenue and profit contribution**

The revenues and profits contributed to the group for the year ended March 31, 2022 are as follows:

Particulars	Rs. In Crores
Revenue	121.62
Profit before tax	35.55

**(d) Credit/Charge to P&L**

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

**(e) Acquired Receivables**

Particulars	Rs. In Crores
Fair value of acquired trade receivables	20.44
Gross contractual amount for trade receivables	20.44
Contractual cash flows not expected to be collected	-

**(f) Purchase consideration - cash outflow**

Particulars	Rs. In Crores
Net outflow of cash - Investing activities	790.74





**PIRAMAL ENTERPRISES LIMITED**

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

**(ii) Amalgamation of Dewan Housing Finance Corporation Limited with Piramal Capital & Housing Finance Limited**

Vide Order dated June 7, 2021, the Mumbai bench of the Hon'ble National Company Law Tribunal ("NCLT") approved the Resolution Plan submitted by Piramal Capital & Housing Finance Limited ("PCHFL"), wholly-owned subsidiary of the Piramal Enterprises Limited, for the Corporate Insolvency resolution process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016. After receiving necessary approvals, PCHFL has discharged its obligation under the resolution plan by paying Rs. 34,250 crores on September 28, 2021 through cash consideration of Rs. 14,717.47 crores (of which Rs. 12,800 crores paid out of acquired cash) and issue of Debentures of Rs. 19,532.53 crores and further, pursuant to the Resolution plan, PCHFL merged into DHFL to conclude acquisition on September 30, 2021 (Implementation Date).

The acquisition of DHFL fits well into the Group's strategy to diversify the loan book and helps achieve scale its retail lending business. The business combination has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with PCHFL as the accounting acquirer and DHFL as the accounting acquiree/legal acquirer.

Accordingly, these consolidated reporting package issued represent the continuation of the financials of PCHFL (accounting acquirer) and reflects the assets and liabilities of PCHFL measured at their pre-acquisition carrying value and acquisition date fair value of the identified assets acquired and liabilities taken over with respect to DHFL. Merged financial statements are issued in the name of Piramal Capital and Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited).

The balances in reserves and surplus of DHFL as of the Appointed Date and the statutory reserve and hedging reserve of PCHFL shall be recognised separately. Any resultant difference arising from such recognition of reserves shall be in the first instance recognised as Amalgamation Adjustment Reserve and debit balance, if any, arising in the Amalgamation Adjustment Reserve may be offset with credit balance in reserves and surplus of the merged entity (first to be adjusted with surplus balance in profit and loss account and then with general reserve, if any).

The Company has also incurred a transaction cost of Rs. 142.72 crores and reported this as an acquisition related cost included in Exceptional Item.

Details in respect of business combination is provided below:

		Rs. In Crores
No	Particulars	Amount
<b>A</b>	<b>Consideration transferred</b>	
	Fair value of shares deemed to be issued on reverse acquisition	
	Cash (including acquired cash of Rs. 12,800 crores)	14,717.47
	Fair value of Debentures	19,123.69
	<b>Total consideration (A)</b>	<b>33,841.16</b>
<b>B</b>	<b>Fair value of assets identifiable assets and liabilities recognised as a result of the Reverse Acquisition</b>	
	<b>Assets</b>	
(i)	Loan Book	22,614.50
(ii)	Investments	3,074.91
(iii)	Cash & Cash Equivalents	14,625.91
(iv)	Property, Plant & Equipment	452.87
(v)	Other assets	1,084.53
	<b>Total assets acquired (a)</b>	<b>41,852.72</b>
	<b>Liabilities</b>	
(i)	CDO Liability	(3,226.49)
(ii)	Other Financial Liabilities	(720.60)
(iii)	Trade Payables	(317.92)
(iv)	Provisions	(55.89)
(v)	Other Non-Financial Liabilities	(81.03)
(vi)	Tax liabilities	(3,437.00)
	<b>Total liabilities acquired (b)</b>	<b>(7,838.93)</b>
	<b>Net assets recognised pursuant to the Scheme (a-b)</b>	<b>34,013.79</b>
<b>C</b>	<b>Goodwill/Capital Reserve (A-B)</b>	<b>(172.63)</b>

Capital reserve represents the gain on bargain purchase which is directly recognized in other equity as capital reserve.

The acquisition date fair value of accounting acquiree's identifiable assets and liabilities under the reverse acquisition are based on independent valuations obtained by the Company.

Based on opinions obtained from legal and tax experts, the above-mentioned fair value of net assets includes contingent tax liabilities of Rs. 3,437 crores pertaining to income tax obligation of DHFL for the financial years ended 31 March, 2020 and 2021, recognized pursuant to uncertain tax positions relating to DHFL as on the implementation date. Further, based on the expert opinions, net deferred tax assets potentially amounting to Rs. 6,209 crores relating to the fair value adjustments considered above have presently not been recognized due to uncertainty associated with allowability of such adjustments. The Fair value of assets also includes Investment in a Jointly controlled entity which is currently being litigated and where the Group expects a favourable outcome of the proceedings.

Following the successful implementation of the resolution plan pertaining to the insolvency resolution process of DHFL, the Group has replaced the nominee directors appointed by the erstwhile management under the Administrator with new directors.

Pursuant to the merger becoming effective from September 30, 2021, DHFL has allotted 2,13,646.92 lakhs shares of face value of INR 10 each on November 11, 2021, to the existing shareholders who were holding shares of PCHFL. These shares are issued against the total net worth of PCHFL on the Appointed Date, adjusted for statutory reserves and hedging reserves. Further the existing share capital held by shareholders of DHFL were cancelled/written back upon implementation of the Scheme.

Accounting for conversion of PCHFL reserves aggregating to Rs 2,080.96 crores into Share Capital and continuation of balance of reserves aggregating to Rs. 485.54 crores and recognition of reserves of DHFL on the implementation date aggregating to Rs 4,047.84 crores, in the merged financial statements has been done in accordance with the accounting treatment prescribed in the Resolution plan approved by the NCLT which, is different from the accounting treatment prescribed by Ind AS 103 for reverse acquisition business combinations.

The Group holds 100% of equity share capital of DHFL Investments Limited (DIL). DIL had issued Compulsory Convertible Debentures (CCDs) to Wadhawan Global Capital Private Limited ("WGC"). Tri-partite agreement dated 31 March 2017 was entered between DIL, DHFL and Wadhawan Global Capital Private Limited (WGC). This agreement assigned controlling rights in favor of WGC and accordingly DIL was not considered as a subsidiary. The approved Resolution Plan contained prayers inter alia seeking nullification of the Compulsory Convertible Debentures (CCDs) and extinguishment of rights pursuant to these CCDs. WGC and a limited liability partnership by the name of TDH Realty LLP have pursued the litigation against the Resolution Plan purportedly as the ultimate beneficiary of the CCDs. The matter is still under consideration of Hon'ble NCLT. Based on the approval of the Resolution Plan by Hon'ble NCLT and merits of these litigations, the Company has considered DIL as a subsidiary based on its ability to exercise control over DIL with effect from the implementation date.

DIL holds 50% of equity share capital of DHFL Pramerica Life Insurance Company Limited (DPLI). Based on the evaluation of rights available under the shareholders agreement, DPLI has been considered as a joint venture and has been accounted based on equity method of accounting in the consolidated financial statements. Accordingly, the consolidated statement of profit and loss includes the Company's share of profit / (loss) of DPLI with effect from the implementation date.



**PIRAMAL ENTERPRISES LIMITED**

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

In view of the foregoing, the financial statements of DHFL have been consolidated from the implementation date i.e. September 30, 2021. The previous year financial statements are thus, that of PCHFL. Accordingly, previous year figures are not comparable. Further, following subsidiaries, associate and joint venture have been consolidated from 30 September 2021.

- a. Subsidiary Company
  - i. DHFL Investments Limited
  - ii. DHFL Holdings Limited
  - iii. DHFL Advisory & Investments Private Limited
- b. Associate
  - i. DHFL Venture Trustee Company Limited (through DHFL Investments Limited)
- c. Joint Venture
  - i. Pramerica Life Insurance Limited (through DHFL Investments Limited)

According to the Resolution Plan, the distribution of proceeds from recovery of fraudulent loans should go to Successful Resolution Applicant (SRA) only to the extent of Re. 1 as per the Fair Value assigned in the Resolution Plan and the balance should be distributed to the creditors. There is a litigation with respect to reconsideration of the value assigned for the fraudulent loan book by Committee of Creditors. Accordingly, DHFL acquisition remains unaffected by the above said order and the business integration continues as envisaged. Further there will be no adverse impact on the financial statements for the year ended 31 March 2022 even in the eventuality of the matter being decided against the Group.

**Revenue and profit contribution**

The acquired business contributed revenue from operation of Rs. 1,549.15 crores and profit of Rs. 750.58 crores to the Company for the period 31 March 2022.

**B. Summary of acquisitions during the previous period**

**(i) Acquisition of G&W PA Laboratories LLC (G&W PA) (now known as PEL Healthcare LLC)**

The Group, through its wholly owned subsidiary, PEL Pharma Inc, has acquired 100% stake in G&W PA Laboratories LLC (G&W PA) (now known as PEL Healthcare LLC) in an all cash deal for a total consideration of Rs. 132.29 Crores. Through this, the group has acquired the solid oral dosage drug product manufacturing facility of G&W PA, located in Sellersville, Pennsylvania. The transaction was closed on June 26, 2020.

**(a) Details of purchase consideration**

Particulars	USD in Million	Rs. in Crores
Cash paid	17.50	132.19
Working capital adjustment	0.01	0.10
<b>Total Purchase Consideration</b>	<b>17.51</b>	<b>132.29</b>

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

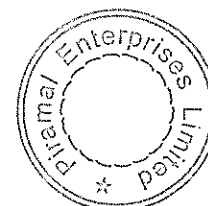
Particulars	USD in Million	Rs. in Crores
<b>Assets</b>		
Property, Plant and Equipment	15.97	120.60
Intangible assets - Computer Software	1.30	9.83
Trade Receivables	1.94	14.62
Cash and cash equivalents	0.12	0.90
Prepaid expenses	0.08	0.60
<b>Total Assets</b>	<b>19.41</b>	<b>146.55</b>
<b>Liabilities</b>		
Trade payable	0.91	6.83
<b>Total Liabilities</b>	<b>0.91</b>	<b>6.83</b>
<b>Net Identifiable assets acquired</b>	<b>18.50</b>	<b>139.72</b>

**(c) Calculation of goodwill/ (Gain on bargain purchase)**

Particulars	USD in Million	Rs. in Crores
Consideration transferred	17.51	132.29
Less: Net identifiable assets acquired	18.50	139.72
<b>Gain on bargain purchase</b>	<b>(0.99)</b>	<b>(7.43)</b>

**(d) Acquired Receivables**

Particulars	USD in Million	Rs. in Crores
Fair value of acquired trade receivables	1.94	14.62
Gross contractual amount for trade receivables	1.94	14.62
Contractual cash flows not expected to be collected	-	-



**PIRAMAL ENTERPRISES LIMITED**

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

**(f) Revenue and profit contribution**

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

Particulars	USD in Million	Rs. in Crores
Revenue	14.78	109.70
Profit/(Loss) before tax	(0.95)	(7.08)

**(g) Acquisition costs charged to P&L**

Acquisition costs of Rs. 2.96 Crores (USD 0.40 million) were charged to Consolidated Statement of Profit and Loss for the period ended March 31, 2021 in relation to the acquisition under the head - Other expenses.

**(h) Purchase consideration - cash outflow**

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

**(iii) Acquisition of Convergence Chemicals Private Limited ('CCPL')**

Piramal Pharma Ltd. has acquired 51% stake in CCPL from Piramal Enterprises Ltd. through business transfer agreement entered on October 06, 2020. The Group had accounted the investment using equity accounting method.

On February 24, 2021, Piramal Pharma Ltd. has acquired balance 49% stake held by Navin Fluorine International Limited in CCPL for a cash consideration of Rs. 65.10 Crores. Post this acquisition, CCPL is a wholly owned subsidiary of the Company.

**(a) Details of purchase consideration**

Particulars	Rs. in Crores
Consideration for additional stake	65.10
Fair value of previously held interest	67.76
<b>Total Purchase Consideration</b>	<b>132.86</b>

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

Particulars	Rs. in Crores
<b>Assets</b>	
Property, Plant & Equipment	164.75
Capital Work In Progress	0.04
Intangible Assets	0.33
Right of use assets	17.29
Other financial assets- non current	0.18
Other non-current assets	0.06
Inventories	15.28
Trade receivables	21.74
Cash and cash equivalents	10.42
Bank balances other than above	3.12
Other Financial Assets- current	0.03
Other current assets	3.25
<b>Total Assets</b>	<b>236.49</b>
<b>Liabilities</b>	
Non-current borrowings	51.50
Lease liability- non current	0.52
Provisions- non current	0.11
Deferred tax liabilities	8.10
Current borrowings	6.14
Trade payables	8.32
Other financial liabilities	22.15
Lease liability- current	0.19
Other Current Liabilities	3.07
Provisions- Current	0.90
Current Tax Liabilities (Net)	3.13
<b>Total Liabilities</b>	<b>104.13</b>
<b>Net identifiable assets acquired</b>	<b>132.36</b>

**(c) Calculation of goodwill**

Particulars	Rs. in Crores
Consideration transferred	132.86
Add: Deferred tax liability recognised on Property, plant and equipment	7.58
Less: Net identifiable assets acquired	132.36
<b>Goodwill#</b>	<b>8.08</b>

# Goodwill is not deductible for tax purpose

**(d) Acquired Receivables**

Particulars	Rs. in Crores
Fair value of acquired trade receivables	21.74
Gross contractual amount for trade receivables	21.74
Contractual cash flows not expected to be collected	-

**(e) Revenue and profit contribution**

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

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

**(f) Acquisition costs charged to P&L**

Acquisition costs of Rs. \* Crores were charged to Consolidated Statement of Profit and Loss for the period ended March 31, 2021 in relation to the acquisition of CCPL under the head - Other expenses.

**(g) Purchase consideration - cash outflow**

Particulars	Rs. in Crores
Outflow of cash to acquire subsidiary	
Total value for 100% stake	132.86
Less: Previously held stake	(67.76)
<b>Net outflow of cash - investing activities</b>	<b>65.10</b>

\* below r/off norms adopted by group



**PIRAMAL ENTERPRISES LIMITED**

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

57 (a) (i) On December 19, 2019, 115,894 Compulsorily Convertible Debentures ("CCD") having face value of Rs. 151,000 per CCD were allotted to Caisse de dépôt et placement du Québec for an aggregate amount of Rs. 1,749.99 crores. Each CCD is convertible into 100 equity shares having face value of Rs. 2 each.

During the year ended March 31, 2022, the Company has allotted 1,15,89,400 equity shares (face value of Rs. 2 each) pursuant to the compulsory conversion of these CCDs.

57 (b) (i) On December 24, 2019, the Company offered 27,929,649 equity shares under Rights Issue at a price of Rs.1,300 per share (including premium of Rs.1,298 per share). Out of the aforesaid issue, 26,385,861 equity shares were allotted by the Company on January 29, 2020 and 1,535,944 Rights Equity shares have been reserved for the CCD Holder (as per regulation 74(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018) and 7,844 Rights Equity Shares have been kept in abeyance.

Further, the Company on June 28, 2021 had allotted 1,535,944 right shares to the CCD Holder out of the portion reserved under the Right Issue made by the Company vide Letter of offer dated 24th December, 2019.

(ii) On March 8, 2018, the Company had issued 8,310,275 equity shares under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share). Out of this rights issue, 11,298 and 7,485,574 equity shares were allotted by the Company during the year ended March 31, 2019 and year ended March 31, 2018, respectively.

During the three months ended June 30, 2019 and September 30, 2019, 213,392 and 66 equity shares, respectively, were allotted by the Company under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share) to the CCD holders out of the Right Equity shares reserved for them (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and shares held in abeyance.

As on March 31, 2021, 24,573 Rights equity shares have been kept in abeyance. 575,372 Rights equity shares reserved for the CCD holders (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) have not been subscribed by them and these unsubscribed rights shall be dealt with by the Board of Directors of the Company, in accordance with the law and hence are considered to be dilutive in nature.

During the year ended March 31, 2022, the Board at its meeting held on February 10, 2022 had approved cancellation of the unsubscribed portion of the Issued capital representing 575,372 equity shares of ₹2 each aggregating to ₹1,150,744, which was reserved in favour of the Compulsorily Convertible Debentures holders under rights issue of the Company. Consequently, the issued share capital stands at ₹477,376,546/- consisting of 238,688,273 equity shares of face value of ₹2 each fully paid.

57 (c) Proceeds from the rights issue have been utilised upto March 31, 2022 in the following manner :

Particulars	(Rs. in Crores)	
	Planned	Actual till 31/03/2022
a) Repayment or prepayment, in full or in part, of certain borrowings in Piramal Enterprises Ltd & Piramal Capital Housing Finance Ltd	2,900.00	2,900.00
b) General Corporate Purposes	718.31	718.31
Add: Issue related expenses	12.54	12.54
<b>Total</b>	<b>3,630.85</b>	<b>3,630.85</b>

**58 Other Statutory Information**

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

(ii) The Group does not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act 1961)

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period, except as disclosed below:

In respect of satisfaction of charges, Piramal Capital & Housing Finance Limited ("PCHFL"), a wholly-owned subsidiary of the Company, had ongoing WCDL facility of Rs 450 crores which was repaid in FY22. The charge satisfaction was pending as on March 31, 2022 for non-receipt of No Dues certificate from Axis Bank. With respect to the assets acquired under business combination, PCHFL is in the process of creating the charges on those assets which is procedural.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group have not been declared as a wilful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guidance on wilful defaulters issued by Reserve Bank of India.

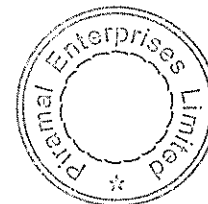
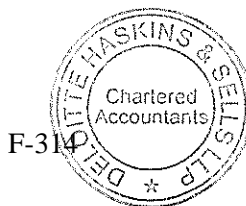
(vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of Layers) Rules, 2017.

(viii) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources of kind of funds) to any other person(s) of entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in a party ("Ultimate Beneficiaries") identified by or on behalf of the Group. There are no funds received from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities ("Ultimate Beneficiaries") identified by or on behalf of the funding party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

(x) The Group has transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, and disclosed as under:

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



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

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

\*Amounts below rounding off norms

**59 Transfer of Financial Assets**

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations	Year ended March 31, 2022
Carrying amount of transferred assets measured at amortised cost (held as Collateral)	2,808.39
Carrying amount of associated liabilities (Borrowings) (other than securities)- measured at amortized cost)	2,669.65
Fair Value of Assets	2,808.39
Fair Value of Associated Liabilities	2,669.65
Net Position at Fair Value	138.74

Note : Transferred Financial Assets that are derecognised in their entirety

The Group has assigned loans ( earlier measured at amortized cost ) by way of direct assignment. As per the terms of deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarised the carrying amount of the derecognised financial assets.

Direct Assignment	As at March 31, 2022
Carrying amount of transferred assets measured at amortised cost	16,220.42
Carrying amount of exposures retained by the Company at amortized cost	2,162.69

**60 Ageing schedule of trade payables**

As at March 31, 2022	Outstanding for following periods from the due date of payment					
	Particulars	Not due	Less than 1 year	1 year - 2 years	2-3 years	More than 3 years
(i) MSME	36.91	15.77	0.25	0.00	0.36	53.29
(ii) Others	135.80	470.62	1.07	3.10	8.50	619.09
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>172.71</b>	<b>486.39</b>	<b>1.32</b>	<b>3.10</b>	<b>8.86</b>	<b>672.38</b>

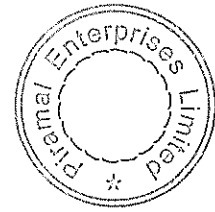
As at March 31, 2021	Outstanding for following periods from the due date of payment					
	Particulars	Not due	Less than 1 year	1 year - 2 years	2-3 years	More than 3 years
(i) MSME	15.34	16.65	0.02	0.24	0.24	32.49
(ii) Others	106.39	120.67	19.37	7.22	3.46	257.11
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>121.73</b>	<b>137.32</b>	<b>19.39</b>	<b>7.46</b>	<b>3.70</b>	<b>289.60</b>

Accrued expenses amount to Rs. 1,023.71 Crores as on March 31, 2022 (as on March 31, 2021 - Rs. 890.03 Crores)

**61** The board of directors of the Company, at their meeting held on October 7, 2021, had inter alia, approved the composite Scheme of Arrangement under applicable provisions of the Companies Act, 2013 between Company, Piramal Pharma Limited ('PPL'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Fininvest Private Limited ('PFPL') and their respective shareholders and creditors ('Scheme'). The Scheme inter alia provides for the following:

- (i) the transfer by way of demerger of the Demerged Undertaking (as set out in the Scheme) from Company to PPL, a subsidiary of PEL
- (ii) the amalgamation of CCPL and HPPL (both being wholly owned subsidiaries of PPL) into PPL.
- (iii) the amalgamation of PFPL (a wholly owned subsidiary of PEL) into company ('FS Amalgamation').

The Company has filed the scheme with the necessary authorities and accordingly the implementation of the scheme is subject to the necessary approvals, sanctions and consents being obtained.





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

**62** The financial statements have been approved for issue by Company's Board of Directors on May 26, 2022.

Signature to note 1 to 62 of the Consolidated financial statements.

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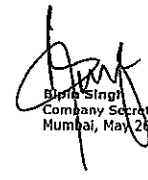
For and on behalf of the Board of Directors



Ajay G. Piramal  
Chairman  
Mumbai, May 26, 2022



Vivek Valsaraj  
Chief Financial Officer  
Mumbai, May 26, 2022



Bipin Singh  
Company Secretary  
Mumbai, May 26, 2022

## **INDEPENDENT AUDITOR'S REPORT**

### **To The Members of Piramal Enterprises Limited Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of Piramal Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Impairment loss allowance on loans and investment pertaining to finance business.</p> <p>Charge to the statement of profit and loss of Rs. NIL Provision: Rs. 246.08 crores as at March 31, 2022</p> <p>[Refer to Note 2(a)(vii), 2(b)(iii) and 47(f) to the standalone financial statements]</p>	
	<p>The Company as part of its financial services segment offers long term and short-term wholesale lending primarily to the real estate and infrastructure sector. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Company applies the expected credit loss (ECL) model for recognising impairment loss.</p> <p>The Company's assessment of expected credit loss involves use of judgements and estimates, such as determination of probability of default (PD), determination of the staging, loss given default (LGD), exposure at default (EAD), estimating Management overlay for economic uncertainty expected to result from COVID 19 pandemic, forward looking information, and macro-economic factors, in computing the ECL on loans and investments.</p> <p>We identified impairment of loan and investment portfolio in finance business as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.</p>	<p>We performed the following key audit procedures:</p> <p>We held discussions with the Management and evaluated management's assessment of the ECL provision at each stage including assessment of COVID-19 impact, to determine if the provision was reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.</p> <p>We evaluated the design of internal controls relating to the computation of ECL provision, the key assumptions (i.e., staging, EAD, PD and LGD rates) and other inputs used therein, including macro-economic factors</p> <p>We selected a sample of loan contracts and tested the operating effectiveness of controls over computation of ECL provision, the key assumptions and inputs used therein, through inspection of evidence of performance of these controls or independently re-performing the control.</p> <p>Through a sample of loan contracts, we performed substantive procedures, to evaluate adequacy of ECL provisioning made.</p>

**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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance, 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.

## **Deloitte Haskins & Sells LLP**

- 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either

**Deloitte  
Haskins & Sells LLP**

individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. (a) As stated in note 17 to the financial statements, the final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- (b) No interim dividend has been declared and paid by the Company during the year.
- (c) As stated in note 17 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Rupen K. Bhatt**  
**Partner**  
(Membership No. 046930)

(UDIN: 22046930AJRQGGZ6242)

Place: Mumbai  
Date: May 26, 2022

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of Piramal Enterprises Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Rupen K. Bhatt**  
**Partner**  
(Membership No. 046930)

(UDIN: 22046930AJRQGZ6242)

Place: Mumbai  
Date: May 26, 2022



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(i) In respect of its property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.

(b) The Company has maintained proper records showing full particulars of intangible assets.

(c) The Company has a program of verification of property, plant and equipment, capital work-in progress, investment property and right of use assets so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed/ court orders approving scheme of arrangements/ amalgamation/ confirmation from custodians, provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in progress are held in the name of the Company as at the balance sheet date. Further, based on examination of Letter of intent, independent architect certificate, the purchase agreements executed by the Company and deeds of transfer, we report that, the investment property in the nature of land development rights is held in name of the Company.

(e) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(f) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of its inventories:

(a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.



- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has made investments in, provided guarantee or security and granted unsecured loans or advances in the nature of loans, secured or unsecured, to companies, in respect of which:
- (a) The Company has provided loans during the year and details of which are given below:

Particulars	Loans	Guarantees
A. Aggregate amount granted/ provided during the year:		
-Subsidiaries	Rs. 757.75 crores	NIL
-Joint Ventures	Rs. 43.63 crores	NIL
-Others	NIL	NIL
B. Balances outstanding as at balance sheet date in respect of above cases*#		
-Subsidiaries	Rs. 5,584.74 crores	Rs. 3,199.82 crores
-Joint Ventures	Rs. 56.77 crores	NIL
-Others	Rs. 380.34 crores	NIL

\* The amounts reported above are at gross amounts, without considering provisions made.  
# Includes opening balances.

The Company has not provided any advances in the nature of loans and security to any other entity during the year.

- (b) The investments made and the terms and conditions of the grant of all the above-mentioned loans provided during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation, except as reported in sub-clause (iii)(d) below.
- (d) In respect of following loans granted by the Company, which have been overdue for more than 90 days at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of the principal amounts and interest:

No. of cases	Principal amount overdue	Interest Overdue*	Total overdue	Remarks, if any
8	Rs. 380.34 crores	Rs. 176.42 crores	Rs. 556.76 crores	

\* These loans are classified as credit impaired assets and as per policy of the Company, no income is accrued on the same in books of accounts.

- (e) According to information and explanations given to us and based on the audit procedures performed, no loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Gross amount of dispute (Rs In Crores)	Amount unpaid (Rs In Crores)
Income Tax Act, 1961	Income Tax	Appellate Tribunal	AY 2003-04 to 2007-08, 2016-17 and 2019-20	87.62	-
		Appellate Authority up to Commissioner's level	AY 2005-06, 2006-07, 2010-11, 2012-13, 2014-15 and 2016-17	30.87	5.19
		High Court	AY 2002-03 and 2008-09 to 2010-11	155.78	6.65

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.	CESTAT	1996-97 to 2000-01, 2004-05 to 2017-18	55.96	54.88
		Appellate Authority up to Commissioner's level	1989-90, 1995-96, 1998-99, 2000-01, 2004-05 to 2005-06 and 2011-18	6.15	6.11
Sales Tax Laws	Sales Tax	Tribunal	1990-91, 1995-96, 1997-98 to 2004-05, 2006-07 to 2010-11, 2012-13 to 2014-15 and 2016-17	4.50	2.42
		Appellate Authority up to Commissioner's level	1998-99 to 2011-12, 2013-14 to 2018-19	9.65	6.54
		High Court	2009-10	0.71	0.32

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) In respect of its borrowings:

- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima-facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

- (x) In respect of money raised by way of initial public offer or further public offer (including debt instruments):
- (a) In our opinion, moneys raised by way of further public offer of the equity shares of the Company during the year, have been, prima facie, applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of Initial Public Offer/ further public offer through debt instruments.
  - (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (full or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) In respect of frauds:
- (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of audit report.
  - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In respect of internal audits:
- (a) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
  - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date when performing our audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) In respect of registration u/s 45-IA:
- (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 basis the principal business criteria test performed on the last audited financial statements, in line with guidance under Reserve Bank of India Press Release 1998-99/1269 dated April 8, 1999.

- (b) During the year:
- the Company has conducted Non Banking Financial activities, and is in the process of obtaining a Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934.
  - the Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.
- (c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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



**Rupen K. Bhatt**  
**Partner**  
(Membership No. 046930)

(UDIN: 22046930AJRQG26242)

Mumbai, May 26, 2022



**PIRAMAL ENTERPRISES LIMITED**  
Balance Sheet as at March 31, 2022

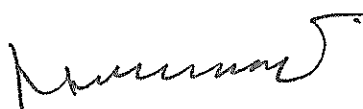
	Note No.	As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores	
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
(a) Property, Plant & Equipment	3		66.83		67.63
(b) Capital Work in Progress	3		3.46		1.31
(c) Intangible Assets	3		3.47		4.37
(d) Right-of-Use Asset	44		11.51		19.20
(e) Investment property	45		1,335.31		1,297.63
(f) Financial Assets:				19,000.75	
(i) Investments	4	19,508.94		6,553.69	
(ii) Loans	6	5,195.74		49.54	25,603.98
(iii) Other Financial Assets	7	15.40	24,720.08		121.36
(g) Deferred Tax Assets (Net)	5		119.69		448.66
(h) Other Non-Current Assets	8		485.66		
<b>Total Non-Current Assets</b>			<b>26,746.01</b>		<b>27,564.14</b>
<b>Current Assets</b>					
(a) Inventories	9		212.55		102.04
(b) Financial Assets:				824.54	
(i) Investments	4	1,117.25		155.08	
(ii) Trade Receivables	10	145.77		893.24	
(iii) Cash & Cash Equivalents	11	975.19		72.87	
(iv) Bank Balances Other Than (iii) above	12	103.23		307.00	
(v) Loans	13	414.24	2,832.28	685.00	2,937.73
(vi) Other Financial Assets	14	76.60	88.31		94.17
(c) Other Current Assets	15		3,133.14		3,133.94
<b>Total Current Assets</b>			<b>29,879.15</b>		<b>30,698.08</b>
<b>TOTAL ASSETS</b>					
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	16		47.73		45.11
(b) Other Equity	17		23,073.80		23,138.63
<b>Total Equity</b>			<b>23,121.53</b>		<b>23,183.74</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
(a) Financial Liabilities:				3,386.21	
(i) Borrowings	18	3,749.07	3,754.13	9.53	3,395.74
(ii) Lease Liability	44	5.06	20.87		20.29
(b) Provisions	19		35.68		86.31
(c) Other Non-Current Liabilities	20		3,810.68		3,502.34
<b>Total Non-Current Liabilities</b>					
<b>Current Liabilities</b>					
(a) Financial Liabilities:				3,285.69	
(i) Borrowings	21	2,098.06		4.16	
(ii) Trade Payables			4.88		
Total outstanding dues of Micro enterprises and small enterprises	41(b)		560.32		433.25
Total outstanding dues of creditors other than Micro enterprises and small enterprises	44		7.86		11.90
(iii) Lease Liability	22		48.35	2,719.47	55.65
(iv) Other Financial Liabilities	23			64.87	3,790.65
(b) Other Current Liabilities	24		16.70		59.78
(c) Provisions	25		145.90		15.67
(d) Current Tax Liabilities (Net)			2,946.94		145.90
<b>Total Current Liabilities</b>			<b>6,757.62</b>		<b>4,012.00</b>
<b>Total Liabilities</b>			<b>29,879.15</b>		<b>30,698.08</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>					

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

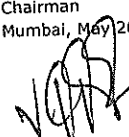
For and on behalf of the Board of Directors



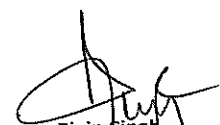
**Rupen K. Bhatt**  
Partner  
Membership Number: 046930  
Mumbai, May 26, 2022



**Ajay G. Piramal**  
Chairman  
Mumbai, May 26, 2022



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 26, 2022



**Bipin Singh**  
Company Secretary  
Mumbai, May 26, 2022

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

	Note No.	Year Ended March 31, 2022 Rs. in Crores	Year Ended March 31, 2021 Rs. in Crores
Revenue from operations	26	2,225.68	1,824.70
Other Income	27	467.50	95.76
<b>Total Income</b>		<b>2,693.18</b>	<b>1,920.46</b>
<b>Expenses</b>	<b>28</b>	<b>294.23</b>	<b>332.74</b>
Cost of materials consumed	29	774.39	159.52
Purchases of Stock-in-Trade	30	(96.46)	(53.32)
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	120.64	81.99
Employee benefits expense	32	761.16	1,068.77
Finance costs	3 & 44	22.92	32.82
Depreciation and amortization expense	47(f)	-	(162.84)
Expected Credit Loss on Financial Assets (Including Commitments)	33	164.99	271.63
Other expenses		<b>2,041.87</b>	<b>1,731.31</b>
<b>Total Expenses</b>		<b>651.31</b>	<b>189.15</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>(10.20)</b>	<b>(258.35)</b>
Exceptional Items	34	641.11	(69.20)
<b>Profit/ (Loss) before Tax</b>	<b>50</b>		<b>(9.31)</b>
Less: Income Tax Expense		19.18	60.33
Current tax		49.65	51.02
Deferred Tax (Net)		68.83	(120.22)
<b>Profit/(Loss) after Tax from Continued Operations</b>		<b>572.28</b>	<b>160.12</b>
<b>Income from Discontinued operations</b>		<b>-</b>	<b>39.90</b>
<b>Profit after Tax</b>		<b>572.28</b>	<b>39.90</b>
<b>Other Comprehensive Income / (Loss) (OCI), net of tax expense:</b>	<b>35</b>		
<b>A. Items that will not be reclassified to profit or loss</b>			
Changes in fair values of equity instruments through OCI		(19.59)	363.31
Remeasurement of Post Employment Benefit Obligations		(0.25)	(3.21)
Income Tax Impact on above		47.97	10.43
<b>B. Items that will be reclassified to profit or loss</b>			
Deferred gains / (losses) on cash flow hedge on continuing operations		-	7.31
Deferred gains / (losses) on cash flow hedge on discontinued operations		-	6.08
Income Tax Impact on above		-	(3.37)
<b>Total Other Comprehensive Income / (Loss) (OCI) for the Year</b>		<b>28.13</b>	<b>10.02</b>
<b>Total Comprehensive Income / (Loss) for the Year</b>		<b>600.41</b>	<b>420.45</b>
<b>For Continuing Operations</b>	<b>43</b>	24.02	(5.07)
a) Basic EPS for the year (Rs.)	43	23.93	(5.07)
a) Diluted EPS for the year (Rs.)		-	6.75
<b>For Discontinued Operations</b>	<b>43</b>	-	6.75
a) Basic EPS for the year (Rs.)	43	-	6.75
a) Diluted EPS for the year (Rs.)		-	-
<b>For Continuing and Discontinued Operations</b>	<b>43</b>	24.02	1.68
a) Basic EPS for the year (Rs.)	43	23.93	1.68
a) Diluted EPS for the year (Rs.)		-	-

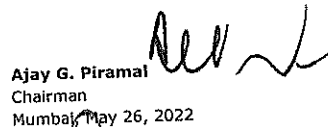
The above Statement of Profit and Loss should be read in conjunction with the accompanying notes  
In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

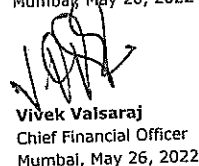
For and on behalf of the Board of Directors



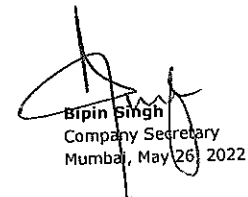
Rupen K. Bhatt  
Partner  
Membership Number: 046930  
Mumbai, May 26, 2022



Ajay G. Piramal  
Chairman  
Mumbai, May 26, 2022



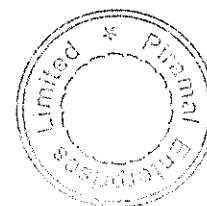
Vivek Valsaraj  
Chief Financial Officer  
Mumbai, May 26, 2022



Bipin Singh  
Company Secretary  
Mumbai, May 26, 2022

**PIRAMAL ENTERPRISES LIMITED**  
Cash Flow Statement for the year ended March 31, 2022

	Year Ended March 31, 2022 Rs. in Crores	Year Ended March 31, 2021 Rs. in Crores
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before exceptional items and tax from continuing operations	651.31	189.15
Profit before exceptional items and tax from discontinued operations	-	226.11
Adjustments for :	22.92	94.95
Depreciation and amortisation expense	(6.42)	(2.40)
Provision written back	0.75	15.62
Finance costs in relation to compulsory convertible debentures considered separately	-	2.99
Finance costs attributable to other than financial services operations	-	64.45
Provision on diminution in value of investment	(6.45)	(43.04)
Interest Income on Financial assets	(282.73)	(75.54)
Dividend on Equity Instruments	(0.79)	-
Fair Value Gain on Investment in Mutual Funds	(174.71)	(22.57)
Measurement of financial assets at FVTPL	(2.12)	0.10
(Gain)/Loss on Sale of Property Plant and Equipment	(0.56)	(5.34)
Provision for inventories	-	(4.26)
Profit on Sale of Investment (Net)	-	(162.84)
Impairment on Financial Instruments (including Commitments)	3.06	4.75
Expected Credit Loss on Trade Receivables	-	37.12
Provision for doubtful loans and advances	0.15	(11.89)
Unrealised foreign exchange (gain) / loss	(23.83)	-
Realised foreign exchange gain from buyback of shares by a subsidiary	180.58	307.36
<b>Operating Profit Before Working Capital Changes</b>		
Adjustments For Changes In Working Capital :		
Adjustments for (increase) / decrease in operating assets	6.25	(112.41)
- Trade receivables	5.86	110.31
- Other Current Assets	0.10	(1.71)
- Other Non-Current Assets	0.64	(14.38)
- Other Financial Assets - Non Current	969.36	1,958.98
- Other Financial Assets - Loans - Non Current	(109.95)	(203.35)
- Inventories	17.75	(32.87)
- Other Financial Assets - Current	300.16	58.10
- Other Financial Assets - Loans - Current	157.20	388.72
- Amounts realised from Debentures and Alternate Investment Funds (Net)	(353.64)	(250.01)
- Amounts invested in Mutual funds (Net)		
Adjustments for increase / (decrease) in operating liabilities	132.75	346.94
- Trade Payables	0.33	3.27
- Non - Current provisions	(2.99)	23.59
- Other Current Financial Liabilities	5.09	(46.11)
- Other Current Liabilities	1.03	(30.38)
- Current provisions	(50.63)	(55.44)
- Other Non-current Liabilities	127.00	(115.00)
- Interest accrued		
<b>Cash Generated from Operations</b>	1,386.89	2,335.61
- Taxes Paid (Net of Refunds)	(131.04)	(78.94)
<b>Net Cash Generated from Operating Activities</b>	1,255.85	2,256.67
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of pharmaceutical business, net of expenses	-	3,452.90
Purchase of investment held at FVTOCI	-	(600.29)
Payments for Purchase of Property Plant and Equipment / Intangible Assets	(23.99)	(62.48)
Proceeds from Sale of Property Plant and Equipment / Intangible Assets	2.11	0.03
Payments for acquisition of Investment property	(37.68)	(1,297.63)
Interest Received	5.10	99.97
Bank balances not considered as Cash and cash equivalents		
- Fixed deposits placed	(51.14)	(87.83)
- Matured	50.03	14.01
Dividend on equity instruments	282.73	67.99
Proceeds from sale of asset (held for sale)	-	10.00
Purchase of Equity Investments in subsidiaries and Joint ventures	(23.50)	(884.96)
Proceeds from buyback of shares by a subsidiary	167.32	-
Repayment of Loans/debentures from related parties (Net)	11.11	1,967.23
<b>Net Cash Generated from Investing Activities</b>	382.09	2,678.94



**PIRAMAL ENTERPRISES LIMITED**  
Cash Flow Statement for the year ended March 31, 2022

**C. CASH FLOW FROM FINANCING ACTIVITIES**

	Year Ended March 31, 2022 Rs. In Crores	Year Ended March 31, 2021 Rs. In Crores
Proceeds from Non - Current Borrowings	1,292.00	4,156.84
- Receipts	(1,648.50)	(6,217.22)
- Payments		
Proceeds from Current Borrowings	7,782.00	16,676.38
- Receipts	(8,298.00)	(16,583.47)
- Payments		
Lease payments	(13.98)	(19.28)
- Principal	(1.59)	(2.99)
- Interest	(80.00)	(160.19)
Coupon Payment on Compulsorily Convertible Debentures	199.67	-
Proceeds from Right Issue	(787.59)	(315.75)
Dividend Paid	(1,555.99)	(2,465.68)
<b>Net Cash Used in Financing Activities</b>		
	<b>81.95</b>	<b>2,469.93</b>
<b>Net Increase in Cash &amp; Cash Equivalents [(A)+(B)+(C)]</b>	<b>893.24</b>	<b>(1,576.69)</b>
<b>Cash and Cash Equivalents as at April 1</b>	<b>975.19</b>	<b>893.24</b>
<b>Cash and Cash Equivalents as at March 31</b>		
<b>Cash and Cash Equivalents Comprise of :</b>		
Cash on Hand	0.00	0.01
Balance with Scheduled Banks in Current Accounts	175.22	893.23
Fixed Deposit with maturity less than 3 months	799.97	-
	<b>975.19</b>	<b>893.24</b>

**Notes:**

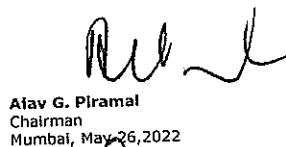
- During the quarter ended March 31, 2022, the company has exercised conversion option in respect of optionally convertible debentures (including accrued interest) of Rs. 36.03 Crores held in Piramal Systems and Technologies Private Limited ("PSTPL"), a wholly owned subsidiary of the Company. On conversion, the Company has received 3,60,26,630 equity shares of face value of Rs. 10 each. Further, the Company has also received 89,07,451 equity shares of face value of Rs. 10 each, on conversion of outstanding loan of Rs. 8.90 Crores given by the Company to PSPTL.
- During the quarter ended March 31, 2022 Piramal Pharma Limited ("PPL") a wholly owned subsidiary has issued 96,57,423 equity shares of face value of Rs. 10 each in lieu of the outstanding payables of Rs. 592 crore to the Company.
- During the year, Company has allotted 1,15,89,400 equity shares (face value of Rs. 2 each) pursuant to the conversion of 1,15,894 Compulsorily Convertible Debentures.
- During the previous year, Company had received shares of Piramal Pharma Limited having value of Rs. 86.44 Crores as a consideration towards sale of investment in Piramal Healthcare Inc.

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors



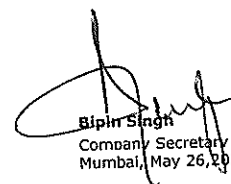
**Rupen K. Bhatt**  
Partner  
Membership Number: 046930  
Mumbai, May 26, 2022



**Ajay G. Piramal**  
Chairman  
Mumbai, May 26, 2022



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 26, 2022



**Bipin Singh**  
Company Secretary  
Mumbai, May 26, 2022

**PIRAMAL ENTERPRISES LIMITED**

**Statement of Changes in Equity for the Year ended March 31, 2022**

**A. Equity Share Capital (Refer Note 16):**

Particulars	Rs. in Crores
Balance as at April 1, 2020	45.11
Changes in Equity Shares Capital during the year	45.11
Balance as at March 31, 2021	2.62
Changes in Equity Shares Capital during the year	47.73
Balance as at March 31, 2022	

**B. Other Equity (excluding share application money pending allotment):**

Particulars	Note	Reserves & Surplus					Other Items in OCI			Total	
		Equity Component of Compulsorily Convertible Debentures	Capital Reserve	Securities Premium	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedging Reserve		FVTOCI - Equity Instruments
Balance as at April 01, 2020		1,527.35	2,379.74	9,703.43	61.73	822.53	5,798.55	2,612.12	(14.32)	(308.26)	22,582.87
Profit after tax for the year		-	-	-	-	-	-	39.90	-	-	39.90
Other Comprehensive Expense (net of tax expense) for the year		-	-	-	-	-	-	(3.24)	10.02	373.77	380.55
Total Comprehensive Income/(Loss) for the year	17	-	-	-	-	(818.37)	-	36.66	10.02	373.77	420.45
Transfer from/to Debt Redemption Reserve		-	-	-	-	-	-	818.37	-	-	-
On account of sale of pharma business to Piramal Pharma Limited (Refer note 53)		-	446.76	-	-	-	-	(315.75)	4.30	-	451.06
Dividend paid during the year		-	-	-	-	-	-	-	-	-	(315.75)
Balance as at March 31, 2021		1,527.35	2,826.50	9,703.43	61.73	4.16	5,798.55	3,151.40	-	65.51	23,138.63
Balance as at April 01, 2021		1,527.35	2,826.50	9,703.43	61.73	4.16	5,798.55	3,151.40	-	65.51	23,138.63
Profit after tax for the year		-	-	-	-	-	-	572.28	-	-	572.28
Other Comprehensive Expense (net of tax expense) for the year		-	-	-	-	-	-	(0.31)	-	28.45	28.14
Total Comprehensive Income/(Loss) for the year	17	-	-	-	-	(2.16)	-	571.97	-	28.45	600.42
Transfer from/to Debt Redemption Reserve		-	-	-	-	-	-	2.16	-	-	(2.32)
Issue and conversion of Compulsorily Convertible Debentures - Equity Component		(1,527.35)	-	1,525.03	-	-	-	-	-	-	193.37
Rights Issue of Equity shares		-	(74.71)	199.37	-	-	-	-	-	-	(74.71)
On account of sale of pharma business to Piramal Pharma Limited (Refer note 53)		-	-	-	-	-	-	(787.59)	-	-	(787.59)
Dividend paid during the year		-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022		-	2,751.79	11,427.83	61.73	2.00	5,798.55	2,937.94	-	93.96	23,073.80

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*

Rupen K. Bhatt  
Partner  
Membership Number: 046930  
Mumbai, May 26, 2022

For and on behalf of the Board of Directors

*Alay G. Piramal*  
Alay G. Piramal  
Chairman  
Mumbai, May 26, 2022  
*Vivek Vaisrai*  
Vivek Vaisrai  
Chief Financial Officer  
Mumbai, May 26, 2022  
*Bipin Singh*  
Bipin Singh  
Company Secretary  
Mumbai, May 26, 2022



## PIRAMAL ENTERPRISES LIMITED

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

#### 1. GENERAL INFORMATION

Piramal Enterprises Limited (PEL) (including its subsidiaries) is one of India's large diversified companies, with a presence in Pharmaceuticals and Financial Services.

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

In Financial Services, Group provides comprehensive financing solutions to various companies. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance, and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals - Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). The Group has also launched Distressed Asset Investing platform that invests in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. The Group also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge (CDPQ). The Group has long term equity investments in Shriram Group, a leading financial conglomerate in India.

PEL is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. It is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

#### 2a. SIGNIFICANT ACCOUNTING POLICIES

##### i) Basis of preparation of financial statements

###### Compliance with Ind AS

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

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

###### Historical Cost convention

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

##### ii) Investments in subsidiaries, associates, joint operations and joint ventures

###### 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 is not control or joint control over those policies.

###### Joint Arrangements:

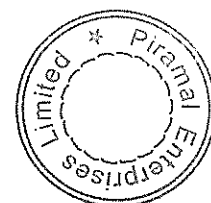
Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has only joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings, if any.

Investments in Subsidiaries, Associates and Joint ventures are accounted at cost.



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

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

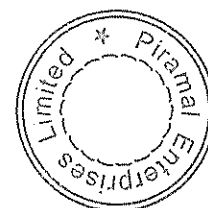
**Depreciation**

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:

<b>Asset Class</b>	<b>Useful life</b>
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
Helicopter	20 years
Ships	13 years
Land Freehold	25 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.



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

- 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) **Investment property**  
Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Cost of a investment property comprises its purchase price and any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss on disposal of an investment property is recognised in profit or loss.
- vi) **Impairment of Assets**  
The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.
- vii) **Financial Instruments**  
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Investments and Other Financial Assets**

**Classification**

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
  - those measured at amortised cost.
- The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Subsequent Measurement**

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

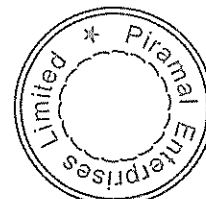
The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**Debt Instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

**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.



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

**Fair value through other comprehensive income (FVTOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**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.

**Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification on derecognition of fair value gains and losses to the statement of profit and loss. Dividends from such investments are recognised in the statement of profit and loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss.

**Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, 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.

In case of other than trade receivables, the expected credit loss is a product of exposure at default, probability of default and loss given default. The company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Company also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

- 1) Significant negative deviation in the business plan of the borrower
- 2) Internal rating downgrade for the borrower or the project
- 3) Current and expected financial performance of the borrower
- 4) Need for refinance of loan due to change in cash flow of the project
- 5) Significant decrease in the value of collateral
- 6) Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure (including off Balance Sheet Commitments), the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default Assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

**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.

**Non-current assets held for sale**

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Noncurrent assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

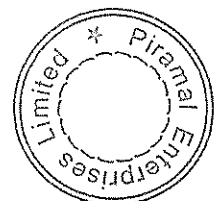
**Financial liabilities and equity instruments**

**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 Debenture**

Convertible Instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**Financial liabilities**

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

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

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

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

**Foreign exchange gains and losses**

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

**Financial Guarantee Contracts**

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

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

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

**Derecognition of financial liabilities**

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

**Derivatives and hedging activities**

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

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

**(i) Cash flow hedges that qualify for hedge accounting:**

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

**(ii) Derivatives that are not designated as hedges:**

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

**Embedded derivatives**

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

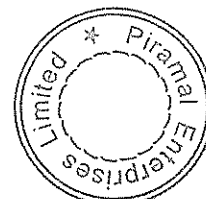
Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related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

**Offsetting Financial Instruments**

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

**viii) Trade Receivables**

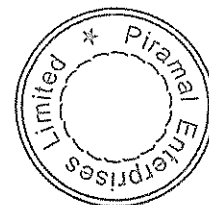
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.





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

- ix) **Inventories**  
Inventories comprise of Raw and Packing Materials, Work in Progress, Finished Goods (Manufactured and Traded) and Stores and Spares. Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. The cost of Work-in-progress and Finished Goods comprises of materials, direct labour, other direct costs and related production overheads and Excise duty as applicable. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
- x) **Employee Benefits**  
**(i) Short-term obligations**  
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.
- (ii) Other long-term employee benefit obligations**  
The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.
- The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.
- (iii) Post-employment obligations**  
The company operates the following post-employment schemes:  
- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme  
- Defined Benefit plans such as provident fund and Gratuity  
In case of Provident fund, contributions are made to a Trust administered by the Company, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.
- Defined Contribution Plans**  
The Company's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.
- Defined Benefit Plan**  
The liability or asset recognised in the balance sheet in respect of defined benefit provident and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.
- The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.
- Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
- Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.
- Bonus Plans**  
The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.
- xii) **Provisions and Contingent Liabilities**  
Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as Interest expense.
- Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.
- xii) **Revenue recognition**  
Revenue is measured at the fair value of the consideration received or receivable.
- Sale of goods:** Revenue from the sale of goods is recognised when the Company transfers Control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net off returns, trade allowances, rebates and indirect taxes.
- Sale of Services:** In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule. If the services rendered by the Company exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue) is recognised. If the contracts involve time-based billing, revenue is recognised in 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).



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

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

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

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

- xv) **Leases**  
Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition. The Company's lease asset classes primarily consist of leases for land, buildings and IT assets.

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

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

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

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

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

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

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

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

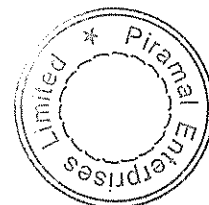
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

- xvii) **Cash and Cash Equivalents**  
In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

- xviii) **Borrowing Costs**  
General and specific borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those Property Plant & Equipments which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.



**PIRAMAL ENTERPRISES LIMITED**

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

xix) **Segment Reporting**

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments."

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs. Interest income and expense are not allocated to respective segments (except in case of Financial Services segment).

In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial statements of the Company, which are presented in the same annual report and therefore, no separate disclosure on segment information is given in these financial statements.

xx) **Standards issued but not yet effective**

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

**Ind AS 103 - Reference to Conceptual Framework**

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

**Ind AS 16 - Proceeds before intended use**

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

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

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

**Ind AS 109 - Annual Improvements to Ind AS (2021)**

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

**Ind AS 106 - Annual Improvements to Ind AS (2021)**

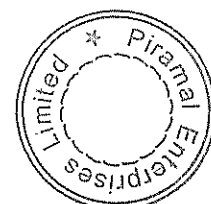
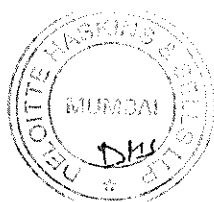
The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect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

xxi) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxii) **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirement of Division II, Schedule III, unless otherwise stated.



**PIRAMAL ENTERPRISES LIMITED**

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

**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.

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

In assessing the recoverability of loans, receivables, intangible assets and investments, the Company has considered internal and external sources of information, including credit reports, 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

**ii Fair Valuation:**

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the company uses market observable data to the extent it is available. When Level 1 inputs are not available, the company engages third party qualified external valuer to establish the appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed

**iii Expected Credit Loss:**

When determining the provision for impairment loss on financial assets carried at amortised cost and Loan commitments, in line with Expected Credit Loss model, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort for determining the Probability of default (PD) and Loss Given default (LGD). This includes both quantitative and qualitative information and analysis, based on the company's historical experience and credit assessment and including forward-looking information.

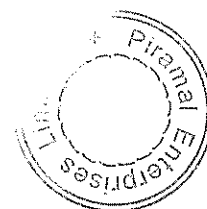
The inputs used and process followed by the Company in determining the impairment loss in line with Expected Credit loss model have been detailed in Note 47f.

**iv Impairment loss in Investments and investment property carried at cost:**

The Company conducts impairment reviews of investments in subsidiaries / associates / joint arrangements and Investment property, 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.

**v Deferred Taxes**

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

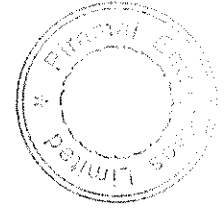
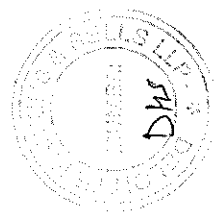


PIRANAL ENTERPRISES LIMITED  
Notes to financial statements for the year ended March 31, 2022

3. PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

Particulars	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Opening	Additions	Deductions/	As at	Opening	For the	Transferred	As at	As at	As at	
	As at		Adjustments	March 31, 2022	As at	year	on sale of Pharma	March 31, 2022	March 31, 2022	March 31, 2021	
	April 1, 2021			(A)	April 1, 2021		Business	(B)	(A-B)		
							on sale of Pharma				
							Business (Refer Note 53)				
							(Refer Note 53)				
Tangible Assets											
Land Freehold	0.49	2.20	-	0.49	7.33	1.83	-	9.16	0.49	27.72	
Buildings	35.05	1.43	-	37.25	0.92	0.09	-	1.01	28.09	0.51	
Roads	7.43	3.98	-	14.38	26.77	3.02	-	29.79	0.42	1.01	
Plant & Equipment	17.10	1.21	0.16	19.16	14.09	2.11	0.15	16.05	21.59	20.63	
Furniture and fixtures	7.25	-	1.38	5.87	3.97	0.75	1.38	3.34	3.11	4.02	
Motor Vehicles	0.88	-	-	0.88	0.52	0.84	-	0.61	2.53	3.28	
Ships	9.60	-	-	9.60	0.42	0.54	-	0.78	0.27	0.36	
Office equipment	4.68	8.18	1.54	13.15	57.26	8.97	-	64.70	5.82	6.36	
Total (I)	124.89	8.18	1.54	131.53	147.00	10.18	-	157.18	66.83	67.63	
Intangible Assets (Acquired)											
Computer Software	15.16	0.31	-	15.47	10.79	1.21	-	12.00	3.47	4.37	
Total (II)	15.16	0.31	-	15.47	10.79	1.21	-	12.00	3.47	4.37	
Grand Total (I+II)	140.05	8.49	1.54	147.00	66.05	10.18	-	176.70	70.30	72.00	

Particulars	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Opening	Additions	Deductions/	As at	Opening	For the	Transferred	As at	As at	As at	
	As at		Adjustments	March 31, 2021	As at	Year	on sale of Pharma	March 31, 2021	March 31, 2021	March 31, 2020	
	April 1, 2020			(A)	April 1, 2020		Business	(B)	(A-B)		
							on sale of Pharma				
							Business (refer				
							Note 53)				
Tangible Assets											
Land Freehold	21.46	0.27	14.67	0.49	67.86	6.83	-	73.33	0.49	21.46	
Buildings	776.03	3.47	24.64	35.05	1.39	0.25	65.20	0.92	27.72	708.17	
Roads	887.64	24.64	25.30	47.40	284.02	32.89	274.62	0.72	0.51	2.08	
Plant & Equipment	43.25	0.10	1.52	18.11	19.96	3.50	8.26	14.09	20.63	603.62	
Furniture and fixtures	8.01	-	-	7.25	3.49	0.83	0.35	3.97	4.02	23.25	
Motor Vehicles	0.88	-	-	0.88	0.44	0.08	-	0.52	3.28	4.52	
Ships	9.60	-	-	9.60	2.70	0.54	-	3.24	0.36	0.44	
Helicopter	27.22	2.27	3.09	21.72	12.91	2.51	13.03	0.42	6.36	6.90	
Total (I)	1,777.56	27.48	44.68	1,635.47	392.77	52.10	362.18	57.62	67.63	1,384.79	
Intangible Assets (Acquired)											
Product-related Intangibles - Brands and Trademarks	451.51	-	-	451.51	126.24	16.33	142.57	-	-	325.27	
Product-related Intangibles-Copyrights, Know-how and Intellectual property rights	17.79	-	-	17.79	8.93	0.88	9.81	-	-	8.86	
Computer Software	47.08	2.78	3.09	15.16	25.04	4.14	15.30	10.79	4.37	24.04	
Intangible Assets (Internally Generated)											
Product Know-how	2.32	6.55	2.32	6.55	0.95	0.40	1.04	-	-	1.37	
Total (II)	518.70	9.33	5.41	507.46	161.16	21.75	167.99	10.79	4.37	357.54	
Grand Total (I+II)	2,296.26	36.81	50.09	2,142.93	553.93	73.85	530.17	68.05	72.00	1,742.33	





**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the year ended March 31, 2022  
**3. PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS**  
**i. Ageing schedule of Capital Work-in-Progress (CWIP)**

As at March 31, 2022	Amount in CWIP for a period of			Total
	Less than 1 year	1 to 2 years	More than 3 years	
Particulars				
Projects in progress	3.46	-	-	3.46
Projects temporarily suspended	-	-	-	-
<b>Grand Total</b>	<b>3.46</b>	<b>-</b>	<b>-</b>	<b>3.46</b>

As at March 31, 2021	Amount in CWIP for a period of			Total
	Less than 1 year	1 to 2 years	More than 3 years	
Particulars				
Projects in progress	1.24	-	0.07	1.31
Projects temporarily suspended	-	-	-	-
<b>Grand Total</b>	<b>1.24</b>	<b>-</b>	<b>0.07</b>	<b>1.31</b>

ii. Project wise details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan.

As at March 31, 2022	To be completed in			Total
	Less than 1 year	1 to 2 years	More than 3 years	
Particulars				
Project 1	2.12	-	-	2.12
Others	0.13	-	-	0.13
<b>Grand Total</b>	<b>2.25</b>	<b>-</b>	<b>-</b>	<b>2.25</b>

As at March 31, 2021	To be completed in			Total
	Less than 1 year	1 to 2 years	More than 3 years	
Particulars				
Project 1	0.07	-	-	0.07
<b>Grand Total</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>0.07</b>

Refer Note 2(a)(iii)

# Depreciation for the year ended March 31, 2022 includes depreciation amounting to Rs. Nil Crores (Previous Year Rs 4.67 Crores) on assets used for Research and Development locations at Ennore and Mumbai.

^ The Company has a 25% share in joint ownership of Helicopter

Refer Note 39 for the assets mortgaged as security against borrowings.

Refer Note 36B for the contractual capital commitments for purchase of Property, Plant & Equipment

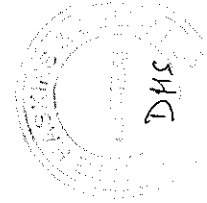
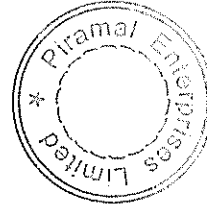
There has been no revaluation of property, plant and equipment ("PPE") and Intangibles during the year ended March 31, 2022 and March 31, 2021

The Company holds the title deeds of all the immovable properties in its 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) reassessment of the discount rates,

(b) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis. The carrying amount of the intangible assets represent the Company's best estimate of the recoverable amounts

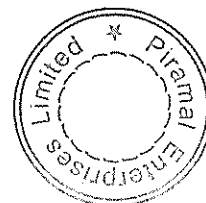
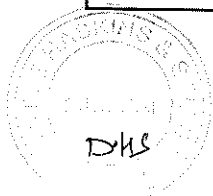


**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the year ended March 31, 2022

**4 Investments**

**Investments - Non Current:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	(Rs. in Crores)		(Rs. in Crores)	
<b>Investments in Equity Instruments (fully paid up, unless otherwise stated):</b>				
<b>A. In Subsidiaries (Unquoted) - At cost:</b>				
i. PHL Fininvest Private Limited		4,667.17		4,667.17
ii. Piramal Holdings (Suisse) SA				
Class A shares	106.70		106.70	
Class B shares (Non Voting)	1,224.80		1,224.80	
Add: Capital Contribution (Guarantee)	8.88		8.88	
Less: Impairment Provision	1,312.35	28.03	1,312.35	28.03
iii. Piramal Systems and Technologies Private Limited##	49.43		4.50	
Less: Impairment Provision	49.43	-	4.50	-
iv. PEL Finhold Private Limited##	23.53		0.03	
Add: Capital Contribution	45.52		45.52	
Less: Impairment Provision	69.05	-	45.55	-
v. Piramal Fund Management Private Limited		108.26		108.26
vi. Piramal Investment Advisory Services Private Limited		2.70		2.70
vii. Piramal Consumer Products Private Limited		14.57		14.57
viii. Piramal Dutch IM Holdco B.V.***#		-*		143.49
ix. Piramal Capital and Housing Finance Limited	7,896.65		7,896.65	
Add: Capital Contribution (Guarantee)	3.77	7,900.42	3.77	7,900.42
x. Piramal Asset Management Private Limited		1.00		1.00
xi. Piramal Securities Limited		42.00		42.00
xii. Piramal Pharma Limited ##		1,463.45		871.55
xiii. Viridis Power Infrastructure Managers Private Limited		0.01		0.01
xiv. Viridis Infrastructure Investment Managers Private Limited		0.01		0.01
		<b>14,227.62</b>		<b>13,779.21</b>
<b>B. In Joint Ventures (Unquoted) - At Cost:</b>				
i. India Resurgence ARC Private Limited		54.00		54.00
ii. India Resurgence Asset Management Business Private Limited		20.00		20.00
iii. Shrilekha Business Consultancy Private Limited		2,146.16		2,146.16
		<b>2,220.16</b>		<b>2,220.16</b>
<b>C. In Associates :</b>				
<b>Unquoted - At Cost:</b>				
i. Shriram Capital Limited		0.01		0.01
		<b>0.01</b>		<b>0.01</b>
<b>D. Other Bodies Corporate:</b>				
<b>Quoted - At FVTOCI [(Refer note 47 (c))]</b>				
i. Shriram City Union Finance Limited (Face Value of Rs. 10 each)		1,068.63		897.36
ii. Clarivate PLC		367.85		558.71
		<b>1,436.48</b>		<b>1,456.07</b>
<b>Unquoted - At FVTPL:</b>				
i. Others		0.15		-*
		<b>0.15</b>		<b>-</b>
<b>Investments in Preference Shares (fully paid up):</b>				
<b>A. In Subsidiaries (Unquoted):- at FVTPL</b>				
<b>Optionally Convertible Participative Preference Shares</b>				
i. Piramal Fund Management Private Limited		105.00		105.00
<b>B. In Joint Venture (Unquoted) - At FVTPL</b>				
<b>i. Compulsorily Convertible Preference Shares</b>				
India Resurgence ARC Pvt Ltd		1.84		-
		<b>106.84</b>		<b>105.00</b>
<b>Investment in Debentures :</b>				
<b>A. In Subsidiaries (Quoted):</b>				
<b>Non-Convertible Debentures - At amortised cost</b>				
Piramal Capital Housing Finance Limited		-		269.26
		-		<b>269.26</b>
<b>B. In Subsidiaries (Unquoted) - At FVTPL</b>				
<b>Optionally Convertible Debentures</b>				
Less: Provision for impairment based on expected credit loss model	36.03		37.04	
Less: Converted to Equity##	-		(37.04)	
	(36.03)	-	-	-
<b>C. In Joint Venture (Unquoted) - At FVTPL</b>				
<b>Non Current Debentures</b>				
India Resurgence ARC Pvt Ltd		46.50		-
		<b>46.50</b>		<b>-</b>
<b>D. In Joint Venture (Unquoted) - At amortised cost</b>				
India Resurgence Asset Management Business Private Limited		13.14		17.03
		<b>13.14</b>		<b>17.03</b>



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

Investments - Non Current (contd.) :

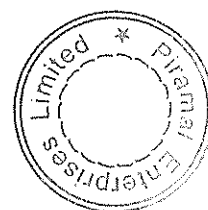
Particulars	As at March 31, 2022		As at March 31, 2021	
	(Rs. in Crores)		(Rs. in Crores)	
<b>E. Other Bodies Corporate:</b>				
<b>Unquoted:</b>				
Redeemable Non-Convertible Debentures - At Amortised Cost	272.49		394.44	
Less: Provision for Impairment based on Expected credit loss model	(163.40)	109.09	(163.40)	231.04
		<b>109.09</b>		<b>231.04</b>
<b>Investments in Alternative Investment Funds (Refer note 51)</b>				
<b>A. In Subsidiaries - At Cost: (Unquoted)</b>				
Class A Units of Piramal Investment Opportunities Fund Scheme - I		2.65		2.65
		<b>2.65</b>		<b>2.65</b>
<b>B. In Joint Ventures - At Cost: (Unquoted)</b>				
Piramal Ivanhoe Residential Equity Fund 1		-		115.29
India Resurgence Fund - Scheme 2		236.76		170.19
		<b>236.76</b>		<b>285.48</b>
<b>C. In Other Body Corporate - At FVTPL (Unquoted)</b>				
		1,109.52		634.84
		<b>1,109.52</b>		<b>634.84</b>
		<b>1,348.93</b>		<b>922.97</b>
<b>Non Current Investments</b>				
		<b>19,508.94</b>		<b>19,000.75</b>

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

\*\*\*During the year ended March 31, 2022 Piramal Pharma Limited ("PPL") a wholly owned subsidiary has issued 96,57,423 equity shares of face value of Rs. 10 each in lieu of the outstanding payables of Rs. 592 crore to the Company.

\*\*\*\* During the year ended March 31, 2022, Piramal Dutch IM Holdco B.V. ("Dutch IM"), a wholly owned subsidiary of the company has repurchased 2,00,00,000 shares held by the company, at a nominal value of EUR 1 per share aggregating to the total consideration of Rs. 167.32 crores.

## During the quarter ended March 31, 2022, the company has exercised conversion option in respect of optionally convertible debentures (including accrued interest) of Rs. 36.03 Crores held in Piramal Systems and Technologies Private Limited ("PSTPL"), a wholly owned subsidiary of the Company. On conversion, the Company has received 3,60,26,630 equity shares of face value of Rs. 10 each. Further, the Company has also received 89,07,451 equity shares of face value of Rs. 10 each, on conversion of outstanding loan of Rs. 8.90 Crores given by the Company to PSTPL.



**PIRAMAL ENTERPRISES LIMITED**

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

**4 Investments**

**Investments - Current :**

Particulars	As at March 31, 2022	As at March 31, 2021
	(Rs. in Crores)	(Rs. in Crores)
<b>Investment in Debentures:</b>		
<b>In Other Body Corporates</b>		
<b>Quoted :</b>		
Redeemable Non-Convertible Debentures - At FVTPL	512.81	554.60
<b>Unquoted :</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost	-	19.93
	<b>512.81</b>	<b>574.53</b>
<b>Investment in Mutual Funds (Quoted) - At FVTPL:</b>	<b>604.44</b>	<b>250.01</b>
<b>Current Investments</b>	<b>1,117.25</b>	<b>824.54</b>

**Aggregate market value of quoted investments**

- Non-Current	1,436.48	1,725.33
- Current	1,117.25	804.61

**Aggregate carrying value of quoted investments (Gross)**

- Non-Current	1,436.48	1,725.33
- Current	1,117.25	804.61

**Aggregate carrying value of unquoted investments (Gross)**

- Non-Current	19,666.52	18,801.22
- Current	-	19.93

**Aggregate amount of impairment in value of investments**

	1,594.23	1,525.80
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Refer Note 39 for Investments mortgaged as security against borrowings.

**Details of Investments:**

**(i) Financial Assets carried at Cost**

Investments in Equity Instruments of Subsidiaries	14,227.62	13,779.21
Investments in Equity Instruments of Joint Ventures	2,220.16	2,220.16
Investments in Equity Instruments of Associates	0.01	0.01
Investments in Alternative Investment Fund	239.41	288.13
	<b>16,687.20</b>	<b>16,287.51</b>

**(ii) Financial assets carried at fair value through profit or loss (FVTPL)**

Equity	0.15	-
Preference Shares	106.84	105.00
Mutual Funds	604.44	250.01
Share warrants	-	-
Debentures	559.31	554.60
Alternative Investment Fund	1,109.52	634.84
	<b>2,380.26</b>	<b>1,544.45</b>

**(iii) Financial assets carried at amortised cost**

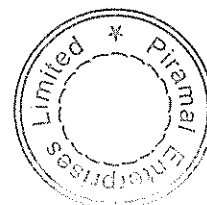
Debentures	122.23	537.26
	<b>122.23</b>	<b>537.26</b>

**(iv) Financial assets measured at FVTOCI**

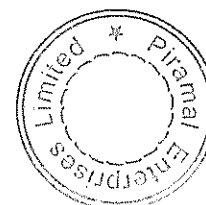
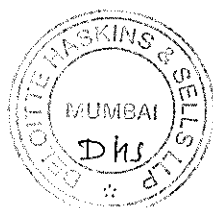
Equity instruments - Equity Shares	1,436.50	1,456.07
	<b>1,436.50</b>	<b>1,456.07</b>

**Total**

	<b>20,626.19</b>	<b>19,825.29</b>
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	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>5 DEFERRED TAX ASSETS (NET)</b>		
<b>(a) Deferred Tax Assets on account of temporary differences :</b>		
- Provision for assets of financial services	58.19	59.84
- Other Provisions	12.10	11.32
- Amortisation of expenses which are allowed in current year	0.14	0.19
- Expenses that are allowed on payment basis	9.61	18.17
- Measurement of financial assets at amortised cost/fair value	33.59	34.03
- Deferred Revenue	21.72	35.68
- Effect of recognition of lease rent expense	2.27	1.35
	137.62	160.58
<b>(b) Deferred Tax Liabilities on account of temporary differences :</b>		
- Property, Plant and Equipment and Intangible Assets	(8.69)	(7.79)
- Measurement of financial liabilities at amortised cost	(9.25)	(31.27)
- Fair value measurement of derivative contracts	-	(0.16)
	(17.94)	(39.22)
<b>NET DEFERRED TAX ASSETS</b>	<b>119.69</b>	<b>121.36</b>
Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation law. Refer Note 50 for movements during the year.		
<b>6 LOANS - NON-CURRENT</b>		
<b>AT AMORTISED COST:</b>		
<b>Inter Corporate Deposits Receivables (Secured) - Credit Impaired</b>		
Inter Corporate Deposits	75.17	89.00
Less: Provision for expected credit loss	50.00	25.17
	25.17	50.00
<b>Terms Loans Receivables (Secured) - Credit Impaired</b>		
Term Loans	24.38	24.38
Less: Provision for expected credit loss	24.38	24.38
	-	-
<b>Loans (Unsecured And Considered Good)</b>		
Loans to related parties (refer note 38)	5,170.57	6,514.69
<b>TOTAL</b>	<b>5,195.74</b>	<b>6,553.69</b>
Loans or Advances in the nature of loans granted to promoters, directors, KMPs and related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:		
(a) Repayable on demand - Nil (Previous year : Nil)		
(b) Without specifying any terms or period of repayment - Nil (Previous year : Nil)		
<b>7 OTHER FINANCIAL ASSETS - NON-CURRENT</b>		
Bank deposits with more than 12 months maturity	2.43	35.93
Security Deposits	12.97	13.61
<b>TOTAL</b>	<b>15.40</b>	<b>49.54</b>
<b>8 OTHER NON-CURRENT ASSETS</b>		
Advance tax (Net of provision of Rs.4,625.70 crores as at March 31, 2022 (Previous Year Rs.4,532.59 crores))	485.65	448.55
Capital Advances	-	0.09
Advances recoverable	0.01	0.02
<b>TOTAL</b>	<b>485.66</b>	<b>448.66</b>





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

	As at March 31, 2022 Rs. In Crores	As at March 31, 2021 Rs. In Crores
<b>9 INVENTORIES</b>		
Raw and Packing Materials [Stock in transit is Nil as on 31 March 2022 (Previous Year is Nil)]	29.41	15.68
Work-In-Progress	29.99	13.14
Finished Goods	26.45	24.77
Stock-in-trade	125.09	47.16
Stores and Spares	1.61	1.29
<b>TOTAL</b>	<b>212.55</b>	<b>102.04</b>

**Notes:**

- Refer Note 39 for the inventories hypothecated as security against borrowings.
- The cost of inventories recognised as an expense during the year was Rs. 975.34 Crores (Previous year Rs. 857.01 Crores). It includes Rs. Nil (previous year Rs 415.28 crores) pertaining to the discontinued operations.
- The cost of inventories recognised as an expense includes Rs. 1.38 Crores (Previous year expense of Rs. 0.93 Crores) in respect of write downs of inventory to net realisable value and an expense charge of Rs. 0.56 Crores (Previous year reversal of Rs. 6.28 Crores ) in respect of provisions for slow moving/non moving/expired/near expiry products.
- Refer Note 2(a)(ix) for policy for valuation of inventories.

	As at March 31, 2022 Rs. In Crores	As at March 31, 2021 Rs. In Crores
<b>10 TRADE RECEIVABLES</b>		
(a) Secured - Considered Good	0.09	0.18
(b) Unsecured - Considered Good	146.08	155.30
Less: Expected Credit Loss on (b)	(0.40)	(0.40)
(c) Unsecured - Considered Doubtful	10.45	7.39
Less: Expected Credit Loss on (c)	(10.45)	(7.39)
<b>TOTAL</b>	<b>145.77</b>	<b>155.08</b>

The credit period on sale of goods generally ranges from 7 to 150 days (Previous Year: 7 to 90 days)

The Company has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), Company performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

Of the Trade Receivables balance as at March 31, 2022 of Rs. 156.62 Crores (as at March 31, 2021 of 162.87 Crores), the top 3 customers of the Company represent the balance of Rs. 57.91 Crores as at March 31, 2022 (as at March 31, 2021 - 42.03 Crores). There were five customers (Previous year : 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 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 follows:

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

Ageing of Expected credit loss	(Rs. In Crores)	
	As at March 31, 2022	As at March 31, 2021
Within due date	0.26	0.28
After Due date	10.59	7.51

As at March 31, 2022	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 year - 2 years	2yr-3yr	More than 3 years	
Particulars							
Undisputed Trade receivables - considered good	92.87	48.02	4.80	0.48	-	-	146.17
Undisputed Trade Receivables - considered doubtful	-	-	-	3.50	0.55	6.33	10.38
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	0.07	-	-	-	-	-	0.07
<b>Grand Total</b>	<b>92.94</b>	<b>48.02</b>	<b>4.80</b>	<b>3.98</b>	<b>0.55</b>	<b>6.33</b>	<b>156.62</b>

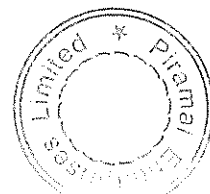
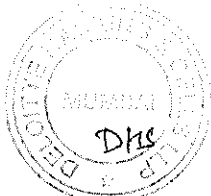
As at March 31, 2021	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 year - 2 years	2yr-3yr	More than 3 years	
Particulars							
Undisputed Trade receivables - considered good	111.10	41.54	2.46	0.38	-	-	155.48
Undisputed Trade Receivables - credit impaired	-	-	-	0.83	1.05	5.17	7.05
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	0.34	-	-	-	-	-	0.34
<b>Grand Total</b>	<b>111.44</b>	<b>41.54</b>	<b>2.46</b>	<b>1.21</b>	<b>1.05</b>	<b>5.17</b>	<b>162.87</b>

Movement in Expected Credit Loss Allowance:	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	7.79	26.69
Less: Amounts Transferred to Piramal Pharma Limited	-	(23.66)
Add: Net Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses *	3.06	4.76
<b>Balance at the end of the year</b>	<b>10.85</b>	<b>7.79</b>

Refer Note 38 for the receivables from Related Parties

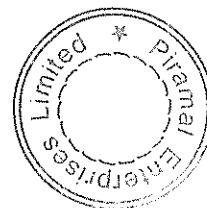
Refer Note 39 for the receivables hypothecated as security against borrowings.

\* It includes Nil (Previous year Rs. 2.98 Crores) transferred to Piramal Pharma Limited on account of pharma transaction (Refer Note 53)



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

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>11 CASH AND CASH EQUIVALENTS</b>		
- Cash and Cash equivalents		
i. Balance with Banks :		
- Current Accounts	175.22	893.23
- Fixed deposit with banks	799.97	-
ii. Cash on Hand*	0.00	0.01
<b>TOTAL</b>	<b>975.19</b>	<b>893.24</b>
*Amounts are below the rounding off norms adopted by the company		
<b>12 OTHER BANK BALANCES</b>		
i. Earmarked balances with banks :		
- Unclaimed Dividend Account	16.43	20.68
- Others *	82.88	49.73
	99.31	70.41
ii. Margin Money	3.92	2.46
<b>TOTAL</b>	<b>103.23</b>	<b>72.87</b>
* Current year mainly comprises of bank fixed deposits.		
	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>13 LOANS - CURRENT</b>		
Loans Receivables from Related Parties (Unsecured and Considered Good) (refer note 38)	414.24	300.16
Inter Corporate Deposits Receivables (Unsecured and Considered Good)	-	6.84
Inter Corporate Deposits	8.30	8.30
Less: allowance for expected credit loss	8.30	8.30
<b>TOTAL</b>	<b>414.24</b>	<b>307.00</b>
	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>14 OTHER FINANCIAL ASSETS - CURRENT</b>		
Security Deposits	1.83	4.79
Guarantee Commission receivable	2.60	6.60
Other Receivables from Related Parties	59.29	665.08
Interest Accrued	3.39	2.04
Others	9.49	6.49
<b>TOTAL</b>	<b>76.60</b>	<b>685.00</b>
	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>15 OTHER CURRENT ASSETS</b>		
Unsecured and Considered Good (Unless otherwise stated)		
Advances :		
Unsecured and Considered Good	10.05	39.68
Considered Doubtful	1.46	1.46
	11.51	41.14
Less: Allowance for expected credit losses	1.46	1.46
Balance with Government Authorities	70.74	48.74
Prepayments	2.15	5.75
Claims Receivable	5.37	-
<b>TOTAL</b>	<b>88.31</b>	<b>94.17</b>



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

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>16 SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
400,000,000 (400,000,000) Equity Shares of Rs. 2/- each	80.00	80.00
3,000,000 (3,000,000) Preference Shares of Rs. 100/- each	30.00	30.00
24,000,000 (24,000,000) Preference Shares of Rs. 10/- each	24.00	24.00
105,000,000 (105,000,000) Unclassified Shares of Rs. 2/- each	21.00	21.00
	<u>155.00</u>	<u>155.00</u>
<b>ISSUED CAPITAL</b>		
238,680,273 (226,138,301) Equity Shares of Rs. 2/- each	47.74	45.23
<b>TOTAL</b>	<u>47.74</u>	<u>45.23</u>
<b>SUBSCRIBED AND PAID UP</b>		
238,663,700 (225,538,356) Equity Shares of Rs. 2/- each	47.73	45.11
<b>TOTAL</b>	<u>47.73</u>	<u>45.11</u>

(i) Movement in Equity Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
At the beginning of the year	22,55,38,356	45.11	22,55,38,356	45.11
Add: Issued during the year	1,31,25,344	2.62	-	-
Less: Shares cancelled during the year	-	-	-	-
At the end of the year	<u>23,86,63,700</u>	<u>47.73</u>	<u>22,55,38,356</u>	<u>45.11</u>

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% Holding	No. of shares	% Holding
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal	7,88,77,580	33.05%	7,88,77,580	34.97%
Life Insurance Corporation of India	1,19,08,930	4.99%	1,86,82,087	8.28%

(iii) Details of shareholding of Promoters in the Company

Name of the Promoter	As at March 31, 2022		% change during the year
	No. of shares	% of total shares	
Ajay G. Piramal	1,23,296	0.05%	-
Swati A Piramal	2,100	0.00%	-
Anand Piramal	1,97,097	0.08%	-0.01%
Nandini Piramal	45,487	0.02%	0.00%
Lalita G. Piramal	1,234	0.00%	0.00%
Peter DeYoung	1,08,000	0.05%	0.00%
Anyà Piramal DeYoung	48,000	0.02%	0.00%
Master Dev Piramal DeYoung	48,000	0.02%	0.00%
Ajay G. Piramal (Karta of Ajay G Piramal HUF)	6,507	0.00%	-0.01%
PRL Realtors LLP	89,73,913	3.76%	-0.22%
The Ajay G Piramal Foundation	9,86,731	0.41%	-0.03%
V3 Designs LLP	97,01,000	4.05%	-0.24%
Anand Piramal Trust	1,39,327	0.06%	0.00%
Nandini Piramal Trust	1,22,740	0.05%	0.00%
Aasan Corporate Solutions Private Limited	20,13,875	0.84%	-0.05%
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	24,05,828	1.01%	-0.09%
The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal)	7,88,77,580	33.05%	-1.92%
	<u>10,38,00,713</u>	<u>43.49%</u>	<u>-2.57%</u>

Name of the Promoter	As at March 31, 2021		% change during the year
	No. of shares	% of total shares	
Ajay G. Piramal	1,23,296	0.05%	-
Swati A Piramal	2,100	0.00%	-
Anand Piramal	1,97,097	0.08%	-
Nandini Piramal	45,487	0.02%	0.00%
Lalita G. Piramal	1,234	0.00%	-
Peter DeYoung	1,08,000	0.05%	-
Anyà Piramal DeYoung	48,000	0.02%	-
Master Dev Piramal DeYoung	48,000	0.02%	-
Ajay G. Piramal (Karta of Ajay G Piramal HUF)	6,507	0.01%	-
PRL Realtors LLP	89,73,913	3.98%	-
The Ajay G Piramal Foundation	9,86,731	0.44%	-
V3 Designs LLP	97,01,000	4.30%	-
Anand Piramal Trust	1,39,327	0.06%	0.00%
Nandini Piramal Trust	1,22,740	0.05%	-
Aasan Corporate Solutions Private Limited	20,13,875	0.89%	-
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	24,79,643	1.10%	0.00%
The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal)	7,88,77,580	34.97%	-
	<u>10,38,74,330.0</u>	<u>46.06%</u>	<u>0.00</u>

(iv) 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
Equity Shares of Rs. 2 each allotted as fully paid-up pursuant to merger of Piramal Phytocare Limited into the Company (Refer note 52 (d))	2019-20	3,05,865

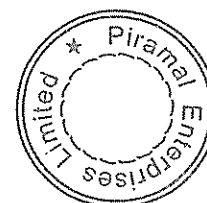
(v) Terms and Rights attached to equity shares

Equity Shares:  
The Company has one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed 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.

**17 OTHER EQUITY**

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
Capital Reserve	2,751.79	2,826.50
Securities Premium	11,427.83	9,703.43
Capital Redemption Reserve	61.73	61.73
Debenture Redemption Reserve	2.00	4.16
Equity component of Compulsorily Convertible Debentures	-	1,527.35
General Reserve	5,798.55	5,798.55
FVTOCI - Equity Instruments	93.86	65.51
Retained Earnings	2,937.94	3,151.40
<b>TOTAL</b>	<u>23,073.80</u>	<u>23,138.63</u>

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>CAPITAL RESERVE</b>		
At the beginning of the year	2,826.50	2,379.74
Less: on account of sale of pharma business to Piramal Pharma Limited	(74.71)	446.76
This reserve is outcome of business combinations carried out during the current year and previous years	<u>2,751.79</u>	<u>2,826.50</u>



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

	As at March 31, 2022 Rs. In Crores	As at March 31, 2021 Rs. In Crores
<b>SECURITIES PREMIUM</b>		
At the beginning of the year	9,703.43	9,703.43
Add: Issue and Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer note 52)	1,525.03	-
Add: Rights Issue of Equity shares	199.37	-
	11,427.83	9,703.43

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the Provisions of the Companies Act, 2013.

<b>CAPITAL REDEMPTION RESERVE</b>		
At the beginning of the year	61.73	61.73
Add: Transferred during the year	-	-
	61.73	61.73

This reserve was created as per requirements of Companies Act pursuant to buyback of equity shares and redemption of preference shares.

**SECURITIES PREMIUM ACCOUNT**  
As per last Balance Sheet  
Less: Utilised for buy back of shares (Refer Note 4.5)

<b>DEBENTURE REDEMPTION RESERVE</b>		
At the beginning of the year	4.16	822.53
Add/(Less): Transferred during the year on repayment	(2.16)	(818.37)
	2.00	4.16

The Debenture redemption reserve is created as per the requirements of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014.

**EQUITY COMPONENT OF COMPULSORILY CONVERTIBLE DEBENTURES**

At the beginning of the year	1,527.35	1,527.35
Less: Issue and conversion of Compulsorily Convertible Debentures - Equity Component (Refer Note 52)	(1,527.35)	-
	-	1,527.35

This is the equity component of the issued Compulsorily Convertible Debentures. The liability component is reflected in financial liabilities (Refer Note 18 and 22)

<b>GENERAL RESERVE</b>		
At the beginning of the year	5,798.55	5,798.55
Add: Transfer during the year	-	-
Less: Utilised during the year	-	-
	5,798.55	5,798.55

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**FVTOCI - EQUITY INSTRUMENTS**

At the beginning of the year	65.51	(308.26)
Add/ (Less): Changes in Fair value of FVTOCI Equity Instruments (net of tax)	28.45	373.77
	93.96	65.51

The Company has elected to recognise changes in the fair value of certain investments in equity securities in Other Comprehensive Income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**CASH FLOW HEDGING RESERVE**

At the beginning of the year	-	(14.32)
Less: Transfer on account of sale of pharma business to Piramal Pharma Limited	-	4.30
Add/(Less): Movement during the year	-	10.02
	-	10.02

The Company uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to Statement of Profit and Loss when the hedged items affect the statement of Profit and Loss. To the extent these hedges are effective, the change in the fair value of hedging instrument is recognised in the Cash Flow Hedging Reserve. (Refer Note 47(e))

	As at March 31, 2022 Rs. In Crores	As at March 31, 2021 Rs. In Crores
<b>RETAINED EARNINGS</b>		
At the beginning of the year	3,151.40	2,612.12
Add/(Less): Profit/ (Loss) for the year	572.28	39.50
Less: Remeasurement of Post Employment Benefit Obligations (net of tax)	(0.31)	(3.24)
Add/ (Less): Transfer from/ (to) Debenture Redemption Reserve	2.16	818.37
Less: Dividend paid (including Dividend Distribution Tax)	(787.59)	(315.75)
	2,937.94	3,151.40
<b>TOTAL</b>	23,073.81	23,138.65

On May 13, 2021, a Dividend of Rs. 33 per equity share (Face value of Rs. 2/- each) amounting to Rs. 787.59 Crores was recommended by the Board of Directors which was approved by the Shareholders in annual general meeting held on May 13, 2021.  
On May 26, 2022, a Dividend of Rs. 33 per equity share (Face value of Rs. 2/- each) amounting to Rs. 787.59 Crores was recommended by the Board of Directors which was approved by the Shareholders in annual general meeting held on May 26, 2022.

	As at March 31, 2022 Rs. In Crores	As at March 31, 2021 Rs. In Crores
<b>18 BORROWINGS - NON CURRENT</b>		
Secured - at amortized cost		
Term Loan From Banks:		
Rupee Loans	-	720.35
Term Loan From Others	3,749.07	218.59
Redeemable Non Convertible Debentures	-	2,446.87
<b>TOTAL</b>	3,749.07	3,386.21

Terms of repayment, nature of security & rate of interest in case of Secured Loans (Includes amount included in Current Maturities of Long Term Debt-Refer Note 21)

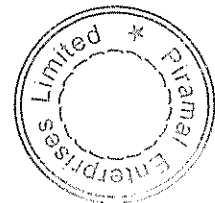
**A. Term Loan from Banks -Rupee Loans #**

(Rs. In Crores)

Nature of Security	Terms of repayment	Principal outstanding as at March 31, 2022	Principal outstanding as at March 31, 2021
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months -33.34%, repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	-	500.00
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 36 months from the date of first drawdown principal repayable in 12 months-10.00%, repayable in 24 months-20% ,repayable in 36 months-70 %	-	166.00

The coupon rates for the above loans are Nil per annum (Previous Year : 11.25 % per annum)

Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings



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

**B. Term Loan from other than Banks -Rupee Loans #**

Nature of Security	Terms of repayment	Principal outstanding as at March 31, 2022	Principal outstanding as at March 31, 2021
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months -33.34%,repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	-	175.00
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months -33.34%,repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	-	100.00

The coupon rates for the above loans are Nil per annum (Previous Year : 11.25 % per annum)  
Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings

**C. Redeemable Non Convertible Debentures:**

Nature of Security	Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	50 (Previous Year : 50) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 5 Crores is redeemable at par at the end of 3650 days from the date of allotment. The interest is payable annually	5.00	5.00
Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	350 (Previous Year : 350) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 35 Crores is redeemable at par at the end of 3652 days from the date of allotment. The interest is payable annually	35.00	35.00
First ranking exclusive pledge over the certain shares of Piramal Pharma Limited and First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited in favour of the Debenture Trustee. First ranking pari passu charge by way of hypothecation over inter-corporate deposits granted to PCHFL.	760 (Previous Year : 760) 9.50% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 76 Crores is redeemable at par at the end of 1,095 days from the date of allotment. The interest is payable quarterly	76.00	76.00
First ranking exclusive pledge over the certain shares of Piramal Pharma Limited, First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited and certain assets including PCHFL ICD and first ranking pari passu charge over the receivables, investments and other current assets of PCHFL in favour of the Debenture Trustee.	19,425 (Previous Year : 25,900) 9.00% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 1942.50 Crores is redeemable at par at the end of 1,096 days from the date of allotment. The interest is payable quarterly	1,942.50	2,590.00
Secured by a First Pari Passu charge by way of hypothecation of Receivables of Inter-Company Deposits placed with PHL Fininvest Private Limited from Piramal Enterprises Limited and a first ranking pari passu mortgage over specifically mortgaged premises.	5,000 (Previous Year : 5,000) 8.55% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 500 Crores is redeemable at par at the end of 1,093 days from the date of allotment. The interest is payable annually	500.00	500.00
Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	NIL (Previous Year : 100) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 10 Crores is redeemable at par at the end of 1826 days from the date of allotment. The interest is payable annually	-	10.00
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	3,650 (Previous Year : NIL) 8.25% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 365 Crores is redeemable at par at the end of 730 days from the date of allotment. The interest is payable on redemption	365.00	-
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	500 (Previous Year : NIL) 8.25% Secured Rated Listed Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 50 Crores is redeemable at par at the end of 723 days from the date of allotment. The interest is payable on redemption	50.00	-
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	750 (Previous Year : NIL) 8.25% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 75 Crores is redeemable at par at the end of 723 days from the date of allotment. The interest is payable on redemption	75.00	-
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	1,250 (Previous Year : NIL) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 125 Crores is redeemable at par at the end of 915 days from the date of allotment. The interest is payable on redemption	125.00	-
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	1750 (Previous Year : NIL) (payable on redemption) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 175 Crores is redeemable at par at the end of 889 days from the date of allotment. The interest is payable on redemption	175.00	-
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	4,000 (Previous Year : NIL) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 400 Crores is redeemable at par at the end of 912 days from the date of allotment. The interest is payable on redemption	400.00	-

The coupon rates for the above debentures are in the range of 8.00% to 9.75 % per annum per annum (Previous Year : 8.55% to 9.75 % per annum)  
Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

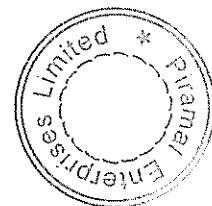
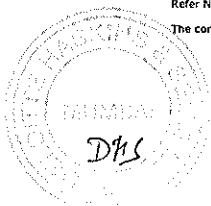
**Terms and Description of Compulsorily Convertible Debentures:**

Compulsorily Convertible debentures (CCD) outstanding as at 31 March 2022 is Nil. Each CCD has a par value of Rs. 151,000 and is convertible at the option of the CCD holder into Equity shares of the Company starting from December 19, 2019 in the ratio of hundred equity share of Rs. 2 each for every one CCD held. Any CCD not converted will be compulsory converted into equity shares on June 12, 2021 at a price of Rs. 1,510 per share. The CCD carry a coupon of 9.28% per annum, payable in 3 half-yearly instalments. The basis of presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policies. The CCDs allotted and the equity shares arising out of conversion of such CCDs shall not be disposed off for a period of 18 months from the date of trading approval.

During the previous year ended March 31, 2021, outstanding CCD were Rs. 1749.99 Crores.

Refer Note 52(a) for movement in CCDs.

The company has utilised the borrowed funds for general business purposes.

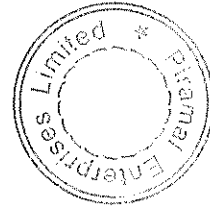
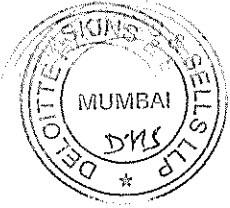




**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the year ended March 31, 2022

	<b>As at March 31, 2022 Rs. in Crores</b>	<b>As at March 31, 2021 Rs. in Crores</b>
<b>19 NON-CURRENT PROVISIONS</b>		
Provision for employee benefits	20.87	20.29
<b>TOTAL</b>	<u><u>20.87</u></u>	<u><u>20.29</u></u>
<b>20 OTHER NON CURRENT LIABILITIES</b>		
Deferred Revenue*	35.68	86.31
<b>TOTAL</b>	<u><u>35.68</u></u>	<u><u>86.31</u></u>

\*Note: Deferred Revenue is related to Facility Fees Income



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

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>21 BORROWINGS - CURRENT</b>		
Secured - At Amortised Cost		
Loans from banks :		
- Working capital Demand Loan	-	100.00
Unsecured - At Amortised Cost		
Loans from banks	-	415.00
Inter Corporate Deposits	-	351.76
Commercial Papers	1,945.95	1,608.70
Current maturities of long-term debt	152.11	810.23
<b>TOTAL</b>	<b>2,098.06</b>	<b>3,285.69</b>

Note:

Description of loan	Terms of repayment	Rate of Interest
<b>Unsecured Loans:</b>		
Commercial Papers	Repayable within 365 days from date of disbursement	6.00% to 8.00% per annum

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

Working capital Demand Loan		Rs. in Crores	
Nature of Security	Terms of repayment	Principal outstanding as at March 31, 2022	Principal outstanding as at March 31, 2021
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Repayable on May 31, 2021	-	50.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Repayable on April 30, 2021	-	50.00

Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

Terms of repayment & rate of interest in case of Unsecured Loans:

Inter Corporate Deposits		Rs. in Crores	
Particulars	Terms of Repayment	Principal outstanding as at March 31, 2022	Principal outstanding as at March 31, 2021
Inter Corporate Deposit	Repayment on June 07, 2021 for an amount of Rs 350 Crores	-	350.00

The coupon rate for the above instruments is Nil (Previous year : 8.25 % per annum)

Other loans from Banks

		Rs. in Crores	
Particulars	Terms of Repayment	Principal outstanding as at March 31, 2022	Principal outstanding as at March 31, 2021
Short term loans from banks	Repayable on 10th March 2022	-	415.00

The coupon rate for the above instruments is Nil (Previous year : 5 % per annum)

Nature of Security	Particulars	Terms of Repayment	Principal outstanding as at March 31, 2022	Principal outstanding as at March 31, 2021
First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	1,000 (Previous Year : NIL) 8.15% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	Redeemable at par on January 12, 2023 for an amount of Rs 100 Crores. The interest is payable on redemption	100.00	-
First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	20 (Previous Year : NIL) 8.15% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each of Rs.1,000,000 each	Redeemable at par on January 12, 2023 for an amount of Rs 2 Crores. The interest is payable on redemption	2.00	-

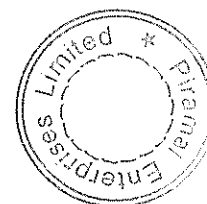
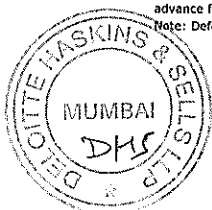
	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>22 OTHER FINANCIAL LIABILITIES - CURRENT</b>		
Unclaimed Dividend	16.43	20.69
Employee related liabilities	29.25	24.08
Capital Creditors	0.31	0.37
Derivative Financial Liability	-	0.64
Security Deposits Received	0.55	0.56
Other payables	1.81	9.32
<b>TOTAL</b>	<b>48.35</b>	<b>55.65</b>

Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the current and previous year end.

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>23 OTHER CURRENT LIABILITIES</b>		
Advances from Customers	2.84	2.18
Statutory Dues	11.41	2.16
Deferred Revenue	50.62	55.44
<b>TOTAL</b>	<b>64.87</b>	<b>59.78</b>

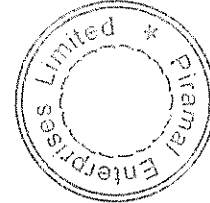
During the current year ended March 31, 2022, the Company has recognized revenue of Rs 1.03 Crores (Previous Year: Rs 10.30 Crores) arising from opening advance from customers as of April 1, 2021.

Note: Deferred revenue pertains to facility fees income



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

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
<b>24 CURRENT PROVISIONS</b>		
Provision for Employee Benefits	13.20	12.17
Provision For Litigations & Disputes	3.50	3.50
<b>TOTAL</b>	<u>16.70</u>	<u>15.67</u>
<b>25 CURRENT TAX LIABILITIES (NET)</b>		
Provision for Income Tax [Net of Advance tax of Rs.383.19 crores (Previous Year:Rs.390.57 crores)]	145.90	145.90
<b>TOTAL</b>	<u>145.90</u>	<u>145.90</u>



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

	Year Ended March 31, 2022 Rs. in Crores	or	Year Ended March 31, 2021 Rs. in Crores
<b>26 REVENUE FROM OPERATIONS</b>			
<b>A. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>			
Sale of products	1,053.89		535.30
<b>B. INCOME OF FINANCING ACTIVITIES</b>			
Income of financing activities:			
-Interest income on instruments measured at amortised cost	522.12		1,041.80
-Facility Fees Income from group companies	55.44		92.72
-Income on instruments mandatorily measured at FVTPL	369.60		125.41
-Dividend income on instruments designated at FVTOCI	40.09		6.16
-Others*	170.93		20.97
	<u>1,158.18</u>		<u>1,287.06</u>
	2,212.07		1,822.36
Other operating revenues:			
-Miscellaneous Income	13.61		2.34
<b>TOTAL</b>	<u><b>2,225.68</b></u>		<u><b>1,824.70</b></u>

\*Includes dividend received from group companies

Note:

All dividends from equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period. There was no dividend income relating to investments derecognized during the reporting period.

**Disaggregate Revenue Information**

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

For the year ended March 31, 2022 and March 31, 2021:

**Pharmaceuticals**

Revenue by product line/ timing of transfer of goods/ services for continuing operations	Year Ended March 31,2022		Year Ended March 31,2021	
	At Point in time	Over time	At Point in time	Over time
Pharma	354.28	-	274.67	-
Over the counter products	699.61	-	260.63	-
<b>Total</b>	<u><b>1,053.89</b></u>	<u>-</u>	<u><b>535.30</b></u>	<u>-</u>

**Reconciliation of revenue recognised with contract price for continuing operations**

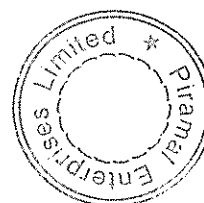
Particulars	Year Ended March 31, 2022 Rs. in Crores	Year Ended March 31, 2021 Rs. in Crores
Sale of products and services at transaction price	1,127.71	543.66
Less: Discounts	(73.82)	(8.36)
<b>Revenue recognised on sale of products and services</b>	<u><b>1,053.89</b></u>	<u><b>535.30</b></u>

**27 OTHER INCOME**

	Year Ended March 31, 2022 Rs. in Crores	Year Ended March 31, 2021 Rs. in Crores
Interest Income on Financial Assets (at amortized costs)	6.45	41.39
Dividend Income		
- On Non-current Equity Instruments in Subsidiaries/JVs/Associates*	282.73	-
- On Current Investments at FVTPL	18.68	2.23
Other Gains & Losses:		
- Foreign Exchange Gain (Net)*	24.68	-
Income on instruments mandatorily measured at FVTPL	0.79	-
Profit on Sale of Investment (Net)	37.22	4.26
Provision written back	6.42	0.03
Profit on sale of fixed asset	2.12	-
Miscellaneous Income	88.41	47.85
<b>TOTAL</b>	<u><b>467.50</b></u>	<u><b>95.76</b></u>

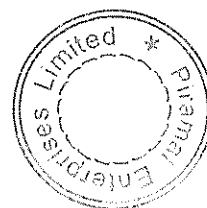
\* During the quarter ended March 31, 2022, Piramal Dutch IM Holdco B.V. ("Dutch IM"), a wholly owned subsidiary of the company has repurchased 2,00,00,000 shares held by the company, at a nominal value of EUR 1 per share aggregating to the total consideration of Rs. 167.32 crores.

Pursuant to the above, the company has earned foreign exchange gain of Rs. 23.83 crores. Further, the company has also received dividend of Rs. 242.80 crores from Dutch IM. These amounts have been grouped as part of 'Other Income'.



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

	Year Ended March 31, 2022 Rs. in Crores	or	Year Ended March 31, 2021 Rs. in Crores
<b>28 COST OF MATERIALS CONSUMED</b>			
Opening Inventory	15.68		17.23
Add: Purchases	307.96		331.19
Less: Closing Inventory	29.41		15.68
<b>TOTAL</b>	<b><u>294.23</u></b>		<b><u>332.74</u></b>
<b>29 PURCHASES OF STOCK-IN-TRADE</b>			
Traded Goods	774.39		159.52
<b>TOTAL</b>	<b><u>774.39</u></b>		<b><u>159.52</u></b>
<b>30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>			
<b>OPENING STOCKS :</b>			
Work-in-Progress	13.14		16.92
Finished Goods	24.77		14.83
Stock-in-trade	<u>47.16</u>		<u>-</u>
	85.07		31.75
<b>CLOSING STOCKS :</b>			
Work-in-Progress	29.99		13.14
Finished Goods	26.45		24.77
Stock-in-trade	<u>125.09</u>		<u>47.16</u>
	181.53		85.07
<b>TOTAL</b>	<b><u>(96.46)</u></b>		<b><u>(53.32)</u></b>
<b>31 EMPLOYEE BENEFITS EXPENSE</b>			
Salaries and Wages			
Contribution to Provident and Other Funds (Refer Note 37)	108.26		99.91
Gratuity Expenses (Refer Note 37)	4.53		5.12
Staff Welfare	2.85		(3.25)
Corporate Expense Allocation pertaining to Pharma business transferred	5.00		6.13
	-		(25.92)
<b>TOTAL</b>	<b><u>120.64</u></b>		<b><u>81.99</u></b>
<b>32 FINANCE COSTS</b>			
Finance Charge on financial liabilities measured at amortised cost	723.86		1,026.08
Other borrowing costs	37.30		42.69
<b>TOTAL</b>	<b><u>761.16</u></b>		<b><u>1,068.77</u></b>

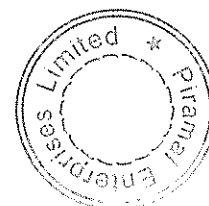




**PIRAMAL ENTERPRISES LIMITED**

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

	Year Ended March 31, 2022 Rs. in Crores	or	Year Ended March 31, 2021 Rs. in Crores
<b>33 OTHER EXPENSES</b>			
Processing Charges			
Consumption of Stores and Spares Parts		0.95	0.38
Consumption of Laboratory materials		3.18	2.79
Power, Fuel and Water Charges		2.07	1.62
Repairs and Maintenance		8.86	9.37
Buildings	5.14		9.41
Plant and Machinery	5.41		4.20
Others	0.20	10.75	0.08
			13.68
Rent		9.60	4.13
Rates & Taxes		21.37	32.99
Insurance		4.49	4.03
Travelling Expenses		1.85	0.89
Directors' Commission		2.40	2.58
Directors' Sitting Fees		0.82	1.15
Provision for Diminution in value of Investments		0.00	64.45
Expected Credit Loss on Trade Receivables		3.06	1.78
Loss on Sale of Property Plant & Equipment (Net)		-	0.10
Advertisement and Business Promotion Expenses		2.64	-
Expenditure towards Corporate Social Responsibility activities		2.30	7.00
Donations		3.80	6.49
Freight		13.99	7.74
Export Expenses		-	0.52
Clearing and Forwarding Expenses		11.03	4.10
Communication and Postage		2.56	4.57
Printing and Stationery		0.52	0.37
Legal Charges		6.64	4.30
Exchange Loss (net)		-	30.82
Professional Charges		31.74	30.41
Royalty Expense		13.75	13.54
Information Technology Costs		2.09	8.63
R & D Expenses (net)		0.00	0.08
Provision for doubtful loans & advances		0.00	37.12
Miscellaneous Expenses		4.53	3.43
Corporate Expense Allocation pertaining to Pharma business transferred		-	(27.43)
<b>TOTAL</b>		<u>164.99</u>	<u>271.63</u>
<b>Details in respect of Corporate Social Responsibility (CSR) Expenditure:</b>			
- Gross amount required to be spent during the year - Rs 2.30 crores (Previous Year - Rs 6.21 crores)			
- Amount spent during the year on revenue expenditure Rs 2.30 crores (Previous Year - Rs 7.00 crores)			
- Amount spent during the year on Capital expenditure - Nil (Previous Year - Nil)			
<b>- Nature of CSR activities (FY 21-22)</b>			
Education sector (State Transformation Program) - Rs. 1.15 crores			
Education Sector (District Transformation Program) - Rs. 1.15 crores			
<b>- Nature of CSR activities (FY 20-21)</b>			
Education sector (School Leadership development program) - 2.45 crores			
Education Sector (District Transformation Program) - Rs. 1.12 crores			
Health Sector - Tribal Healthcare Model - Rs. 3.43 crores			
Details of Related party transactions - Nil			
<b>34 EXCEPTIONAL ITEM</b>			
Transaction cost (Refer note 53(a))		(10.20)	(258.35)
<b>TOTAL</b>		<u>(10.20)</u>	<u>(258.35)</u>
<b>35 OTHER COMPREHENSIVE INCOME / (LOSS) (NET OF TAXES)</b>			
Fair Valuation of Equity Investments		28.45	373.77
Remeasurement of post-employment benefit obligations		(0.31)	(3.24)
Deferred gains / (losses) on cash flow hedge		-	10.02
<b>TOTAL</b>		<u>28.14</u>	<u>380.55</u>



**PIRAMAL ENTERPRISES LIMITED**

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

As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
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**36 Contingent Liabilities and Commitments****A Contingent Liabilities :****1 Claims against the Company not acknowledged as debt:**

Vide Demand dated June 5, 1984, the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 which is not accepted by the Company. The Company has been legally advised that the demand is untenable.	0.61	0.61
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**2 Others**

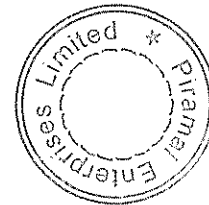
i. Appeals filed in respect of disputed demands:

Income Tax		
- where the Company is in appeal	273.91	163.67
- where the Department is in appeal	369.29	368.55
Sales Tax	14.86	15.56
Central / State Excise / Service Tax / Custom	62.11	56.33
Stamp Duty	9.37	-
Legal Cases	3.88	0.21

**B Commitments :**

a. Estimated amount of contracts remaining to be executed on capital account and not provided for	0.30	3.87
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	1.14	1.42

Refer note 47 a in case of loan commitments



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

**37 Employee Benefits :**

Brief description of the Plans:

Other Long Term Employee Benefit Obligations:

Leave Encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

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

Defined Contribution plans:

The Company's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.

Post-employment benefit plans:

Gratuity for employees in India is as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

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

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

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, equity, mutual funds and other debt instruments.

**Interest risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The gratuity plan is a funded plan and the Company makes contributions to trust administered by the Company. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident fund trust are governed by local regulations, including limits on contributions in each class of investments.

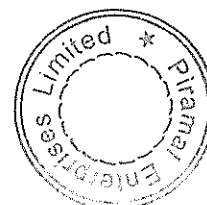
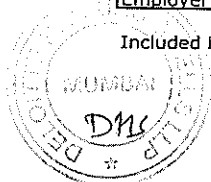
The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and corporate bonds, although the Company also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

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

Particulars	(Rs. in Crores)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Employer's contribution to Regional Provident Fund Office	-	0.86
Employer's contribution to Superannuation Fund	0.08	0.17
Employer's contribution to Employees' State Insurance	0.08	0.34
Employer's contribution to Employees' Pension Scheme 1995	0.50	3.03
Employer's contribution to National Pension Scheme	0.20	0.41

Included In Contribution to Provident and Other Funds and R&D Expenses (Refer Note 31 and 33)



**37 Employee Benefits (continued) :**

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

**A. Change in Defined Benefit Obligation**

Particulars	(Rs. in Crores)			
	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Present Value of Defined Benefit Obligation as at beginning of the year	20.83	67.89	299.43	270.77
Interest Cost	1.35	2.52	20.76	22.82
Current Service Cost	0.79	2.01	3.68	7.26
Past Contributions from employer	0.72	-	-	-
Contributions from plan participants	-	-	5.79	13.71
Liability Transferred In for Employees Joined	-	-	2.09	13.19
Liability Transferred Out for Employees left / Transferred	-	(46.63)	-	-
Benefit Paid Directly by the Employer	(1.46)	-	-	-
Benefits Paid from the fund	(0.54)	(7.83)	(146.00)	(28.32)
Actuarial (Gains)/loss - due to change in Demographic Assumptions	(0.00)	(0.05)	-	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	(0.02)	0.04	-	-
Actuarial (Gains)/loss - due to experience adjustments	0.25	2.88	-	-
Other actuarial adjustments	-	-	8.61	-
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>21.92</b>	<b>20.83</b>	<b>194.36</b>	<b>299.43</b>

**B. Changes in the Fair Value of Plan Assets**

Particulars	(Rs. in Crores)			
	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Fair Value of Plan Assets as at beginning of the year	0.73	23.01	299.43	270.77
Interest Income	0.05	1.51	20.76	22.83
Contributions from employer	-	31.01	9.47	20.96
Contributions from plan participants	-	-	-	-
Assets Transferred In for Employees joined	-	-	2.09	13.19
Assets Transferred out for Employees left / Transferred	-	(46.63)	-	-
Benefits Paid from the fund	(0.54)	(7.83)	(146.00)	(28.32)
Return on Plan Assets, Excluding Interest Income	(0.02)	(0.34)	(1.43)	-
Other actuarial adjustments	-	-	10.04	-
<b>Fair Value of Plan Assets as at the end of the year</b>	<b>0.22</b>	<b>0.73</b>	<b>194.36</b>	<b>299.43</b>

**C. Amount recognised in the Balance Sheet**

Particulars	(Rs. in Crores)			
	(Funded)			
	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Present Value of Defined Benefit Obligation as at the end of the year	21.92	20.83	194.36	299.43
Fair Value of Plan Assets as at end of the year	0.22	0.73	194.36	299.43
<b>Net Liability recognised in the Balance Sheet (Refer Note 19)</b>	<b>21.70</b>	<b>20.10</b>	<b>-</b>	<b>-</b>
<b>Recognised under:</b>				
<b>Non Current provision (Refer Note 19)</b>	<b>20.65</b>	<b>20.10</b>	<b>-</b>	<b>-</b>
<b>Current provision (Refer Note 24)</b>	<b>1.05</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

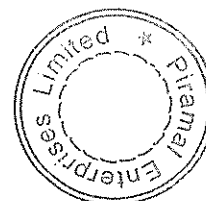
**D. Expenses recognised in Statement of Profit and Loss**

Particulars	(Rs. in Crores)			
	(Funded)			
	Gratuity		Provident Fund	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Current Service Cost	0.79	2.01	3.68	7.26
Past Service Cost	0.72	-	-	-
Net Interest Cost	1.30	1.01	-	-
<b>Total Expenses / (Income) recognised in the Statement of Profit And Loss*</b>	<b>2.81</b>	<b>3.02</b>	<b>3.68</b>	<b>7.26</b>

\*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and R&D Expenses (Refer Note 31 and 33)

**E. Income/ Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year**

Particulars	(Rs. in Crores)	
	Gratuity	
	Year ended March 31,	
	2022	2021
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in demographic assumptions	(0.00)	(0.05)
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in financial assumptions	(0.02)	0.04
Actuarial (Gains)/Losses on Obligation for the Period - Due to experience adjustment	0.25	2.88
Return on Plan Assets, Excluding Interest Income	0.02	0.34
<b>Net (Income)/Expense for the Year Recognized in OCI</b>	<b>0.25</b>	<b>3.21</b>



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

**F. Significant Actuarial Assumptions:**

Particulars	(Funded) (%)			
	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Discount Rate (per annum)	6.84	6.49	6.84	6.49
Expected Rate of return on Plan Assets (per annum)	6.84	6.49	6.84	6.49
Salary escalation rate	9% for 3 years then 6%	9% for 3 years then 6%	N.A	N.A

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

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

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

Particulars	(Rs. in Crores)	
	Gratuity	
	As at March 31,	
	2022	2021
Opening Net Liability	20.10	44.88
Expenses Recognized in Statement of Profit or Loss	2.80	3.02
Expenses Recognized in OCI	0.25	3.21
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
Benefit Paid Directly by the Employer	-	-
Employer's Contribution	(1.46)	-
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>21.69</b>	<b>20.10</b>

**H. Category of Assets**

Particulars	(Rs. in Crores)			
	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Government of India Assets (Central & State)	-	0.34	79.53	129.72
Cash and Cash Equivalents	0.09	-	0.41	-
Public Sector Unit Bonds	-	-	-	21.06
Corporate Bonds	-	0.19	74.75	94.47
Fixed Deposits under Special Deposit Schemes of Central Government*	-	0.04	16.97	28.59
Insurance fund	0.12	-	-	-
Equity Shares of Listed Entities / Mutual Funds	-	0.06	14.07	22.31
Others*	-	0.08	8.64	3.28
<b>Total</b>	<b>0.21</b>	<b>0.71</b>	<b>194.37</b>	<b>299.43</b>

\* Except these, all the other investments are quoted.

**I. Other Details**

Particulars	Gratuity	
	As at March 31,	
	2022	2021
No of Active Members	374	341
Per Month Salary For Active Members (Rs. in Crores)	2.84	2.57
Average Expected Future Service (Years)	7.00	7.00
Projected Benefit Obligation (PBO) (Rs. in Crores)	21.91	20.83
<b>Prescribed Contribution For Next Year (12 Months) (Rs. in Crores)</b>	<b>2.84</b>	<b>2.57</b>

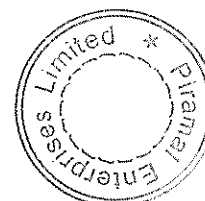
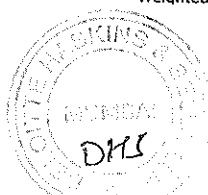
**J. Cash Flow Projection: From the Fund**

Projected Benefits Payable in Future Years From the Date of Reporting	(Rs. in Crores)	
	Gratuity	
	Estimated for the year ended March 31,	
	2022	2021
1st Following Year	13.41	12.88
2nd Following Year	0.79	0.87
3rd Following Year	1.62	0.71
4th Following Year	0.79	1.23
5th Following Year	0.85	0.69
Sum of Years 6 To 10	4.39	3.78

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 7 years (Previous year: 7 years)





K. Sensitivity Analysis

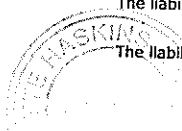
Projected Benefit Obligation	(Rs. in Crores)	
	Gratuity	
	As at March 31,	
	2022	2021
Impact of +1% Change in Rate of Discounting	(0.52)	(0.74)
Impact of -1% Change in Rate of Discounting	(1.76)	0.60
Impact of +1% Change in Rate of Salary Increase	0.23	0.59
Impact of -1% Change in Rate of Salary Increase	(0.53)	(0.54)
Impact of +1% Change in Rate of Employee Turnover	0.01	(0.00)
Impact of -1% Change in Rate of Employee Turnover	(0.01)	0.00

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 (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

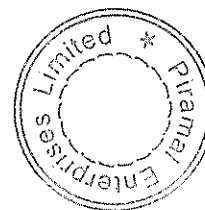
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The liability for Leave Encashment (Non - Funded) as at year end is Rs. 12.10 Crores (Previous year Rs. 12.10 Crores).

The liability for Long term Service Awards (Non - Funded) as at year end is Rs. 0.26 Crores (Previous year Rs. 0.26 Crores).



DHS



**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the Year Ended March 31, 2022

**38 Related Party Disclosures**

**1. List of related parties**

**A. Controlling Entities**

The Ajay G. Piramal Foundation @  
Piramal Phytocare Limited Senior Employees Option Trust @\*  
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal @  
Aasan Info Solutions (India) Private Limited @  
Piramal Welfare Trust through its Trustee, Piramal Corporate Services Limited @  
PRL Realtors LLP @  
Anand Piramal Trust@  
Nandini Piramal Trust@  
V3 Designs LLP @

@There are no transactions during the year.

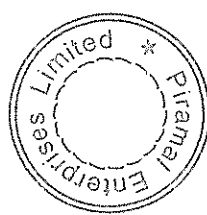
\*during the financial year 20-21 it became non promoter- non public.

**B. Subsidiaries**

The Subsidiary companies including step down subsidiaries :

Name of the Company	Principal Place of Business	Proportion of Effective Ownership Interest held as at March 31, 2022
PHL Fininvest Private Limited (PHL Fininvest)	India	100%
Piramal International	Mauritius	100%
Piramal Holdings (Suisse) SA (Piramal Holdings)	Switzerland	100%
Piramal Critical Care Italia, S.p.A.**	Italy	80%
Piramal Critical Care Deutschland GmbH**	Germany	80%
Piramal Critical Care Limited **	U.K.	80%
Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada)	Canada	80%
Piramal Critical Care B.V. **	Netherlands	80%
Piramal Pharma Solutions (Dutch) B.V. **	Netherlands	80%
Piramal Critical Care Pvy. Ltd. ** (Piramal Healthcare UK)	Australia	80%
Piramal Healthcare Pension Trustees Limited**	U.K.	80%
Piramal Critical Care South Africa (Pty) Ltd **	U.K.	80%
Piramal Dutch Holdings N.V. @@@	South Africa	80%
Piramal Healthcare Inc. **	Netherlands	80%
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	80%
Piramal Pharma Inc.**	U.S.A	80%
Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	80%
PEL Pharma Inc.**	U.S.A	80%
Ash Stevens LLC ** (Ash Stevens)	U.S.A	80%
PEL Healthcare LLC (w.e.f. June 26, 2020) **	U.S.A	80%
Piramal Dutch IM Holdco B.V.	U.S.A	80%
PEL-DRG Dutch Holdco B.V. \$	Netherlands	100%
Piramal Capital and Housing Finance Limited (Refer note 56)	Netherlands	100%
Piramal Fund Management Private Limited (Piramal Fund)	India	100%
Hermes Pharmaceuticals (w.e.f. 22nd June 2021)	India	100%
Piramal Asset Management Private Limited	India	100%
Piramal Investment Advisory Services Private Limited (PIASPL)	India	100%
Piramal Investment Opportunities Fund (PIOF)	India	100%
INDJARELL Investment Management Co. \$\$	India	100%
Piramal Asset Management Private Limited \$\$	Mauritius	100%
Piramal Capital International Limited \$\$	Singapore	100%
Piramal Securities Limited	Mauritius	100%
Piramal Systems & Technologies Private Limited (Piramal System)	India	100%
Piramal Technologies SA @	India	100%
PEL Finhold Private Limited	Switzerland	100%
Piramal Consumer Products Private Limited ***	India	100%
Piramal Pharma Limited (w.e.f. March 04, 2020) ^	India	100%
Piramal Finance Sales & Services Pvt. Ltd. (w.e.f. September 9, 2020) ****	India	80%
Viridis Power Investment Managers Private Ltd. (w.e.f. October 17, 2020)	India	100%
Viridis Infrastructure Investment Managers Private Ltd. (w.e.f. October 22, 2020)	India	100%
Convergence Chemicals Private Ltd. (subsidiary w.e.f. February 24, 2021 and joint venture upto February 23, 2021) @@@	India	100%
Piramal Pharma Japan GK (w.e.f. 5th Nov 2021)**	India	80%
DHFL Advisory and Investment Private Limited (w.e.f. September 30, 2021)	India	100%
DHFL Holdings Limited (w.e.f. September 30, 2021)	India	100%
DHFL Investments Limited (w.e.f. September 30, 2021)	India	100%
DHFL Ventures Trustee Company Private Limited	India	100%

Name of the Company	Principal Place of Business	Proportion of Effective Ownership Interest held as at March 31, 2021
PHL Fininvest Private Limited (PHL Fininvest)	India	100%
Piramal International	Mauritius	100%
Piramal Holdings (Suisse) SA (Piramal Holdings)	Switzerland	100%
Piramal Critical Care Italia, S.p.A.**	Italy	80%
Piramal Critical Care Deutschland GmbH**	Germany	80%
Piramal Critical Care Limited **	U.K.	80%
Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada)	Canada	80%
Piramal Critical Care B.V. **	Netherlands	80%
Piramal Pharma Solutions (Dutch) B.V. **	Netherlands	80%
Piramal Critical Care Pvy. Ltd. ** (Piramal Healthcare UK)	Australia	80%
Piramal Healthcare Pension Trustees Limited**	U.K.	80%
Piramal Critical Care South Africa (Pty) Ltd **	U.K.	80%
Piramal Dutch Holdings N.V. @@@	South Africa	80%
Piramal Healthcare Inc. **	Netherlands	80%
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	80%
Piramal Pharma Inc.**	U.S.A	80%
Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	80%
PEL Pharma Inc.**	U.S.A	80%
Ash Stevens LLC ** (Ash Stevens)	U.S.A	80%
PEL Healthcare LLC (w.e.f. June 26, 2020) **	U.S.A	80%
Piramal Dutch IM Holdco B.V.	U.S.A	80%
PEL-DRG Dutch Holdco B.V. \$	Netherlands	100%
Piramal Capital and Housing Finance Limited	Netherlands	100%
	India	100%



**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the Year Ended March 31, 2022

Name of the Company	Principal Place of Business	Proportion of Effective Ownership Interest held as at March 31, 2021
Piramal Fund Management Private Limited (Piramal Fund)	India	100%
Piramal Asset Management Private Limited	India	100%
Piramal Investment Advisory Services Private Limited (PIASPL)	India	100%
Piramal Investment Opportunities Fund (PIOF)	India	100%
INDIAREIT Investment Management Co. \$\$	Mauritius	100%
Piramal Asset Management Private Limited \$\$	Singapore	100%
Piramal Capital International Limited \$\$	Mauritius	100%
Piramal Securities Limited	India	100%
Piramal Systems & Technologies Private Limited (Piramal System)	India	100%
Piramal Technologies SA @	Switzerland	100%
PEL Finhold Private Limited	India	100%
Piramal Consumer Products Private Limited ***	India	100%
Piramal Pharma Limited (w.e.f. March 04, 2020) ^	India	100%
Piramal Finance Sales & Services Pvt. Ltd. (w.e.f. September 9, 2020) ****	India	80%
Vardis Power Investment Managers Private Ltd. (w.e.f. October 17, 2020)	India	100%
Vardis Infrastructure Investment Managers Private Ltd. (w.e.f. October 22, 2020)	India	100%
Convergence Chemicals Private Ltd. (subsidiary w.e.f. February 24, 2021 and joint venture upto February 23, 2021) @@	India	80%

\*\* held through Piramal Dutch Holdings N.V.

\*\*\*\* held through PHL Finvest Private Ltd.

@ held through Piramal Systems & Technologies Private Limited

\$ held through Piramal Dutch IM Holdco B.V.

\$\$ held through Piramal Fund Management Private Limited

@@ held through Piramal Pharma Ltd.

^ Note on common control transaction with subsidiaries

During the previous year, the Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had inter alia, approved the sale of the major line of pharmaceutical business, ('Pharma Business'), including those held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Limited, a subsidiary of the Company ('PPL').

This transaction was completed on October 6th, 2020 on receipt of requisite approvals. The consideration received by the Company from PPL is Rs. 4,487 crores and the excess of such consideration over the net assets, net of tax, has been transferred to capital reserve, the transaction being a common control transaction under IND AS 103 "Business Combinations"

Consequently, operations relating to the Pharma Business in respect of total income, total expenses and tax have been disclosed separately as Discontinued operations as part of the results.

**C. Associates and Joint Ventures**

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2022	% voting power held as at March 31, 2021	Relationship as at March 31, 2022	Relationship as at March 31, 2021
Shriekha Business Consultancy Private Limited (Shriekha Business Consultancy)	India	74.95%	74.95%	Joint Venture	Joint Venture
Shriram Capital Limited (Shriram Capital) (mainly through Shriekha Business Consultancy Private Limited)	India	20.00%	20.00%	Associate	Associate
Allergan India Private Limited (Allergan)	India	39.20%	39.20%	Associate	Associate
India Resurgence ARC Private Limited (Formerly known as Piramal Assets Reconstruction Private Limited) (IRAPL)	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited) (IRAMBPL)	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence Fund - Scheme - 2	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence ARC Trust 1 (w.e.f. May 03, 2019)	India	50.00%	50.00%	Joint Venture	Joint Venture
Piramal Ivanhoe Residential Equity Fund 1 (Investment redeemed w.e.f. 27th December 2021)	India	0.00%	50.00%	Joint Venture	Joint Venture
Asset Resurgence Mauritius Manager	Mauritius	50.00%	50.00%	Joint Venture	Joint Venture
Yapan Bio Private Limited (w.e.f. 20th December 2021)	India	22.30%	NA	Associate	NA
Piramal Structured Credit Opportunities Fund (w.e.f. Feb 26, 2020) (PSCOF)	India	25.00%	25.00%	Joint Venture	Joint Venture
Pramerica Life Insurance Limited	India	50%	50%	Joint Venture	Joint Venture

**Other Intermediaries:**

Shriram City Union Finance Limited (Shriram City Union)

**D. Other related parties**

Entities controlled by Key Management Personnel :

- Aasan Corporate Solutions Private Limited (Aasan Corporate Solutions)\*
- Gopikrishna Piramal Memorial Hospital (GPMH)\*
- Piramal Corporate Services Limited (PCSL)\*
- Piramal Glass Limited (PGL) (Ceased to be RPT from 30th March 2021)
- PRL Developers Private Limited (PRL)
- PRL Agastya Private Limited
- Piramal Estates Private Limited
- Glider Buildcon Realtors Private Limited
- Ansa Deco Glass Private Limited (till March 30, 2021)
- Piramal Glass Ceylon Limited (ceased to be RPT from 30th March 2021)

\*where there are transactions during the current or previous year

Employee Benefit Trusts :

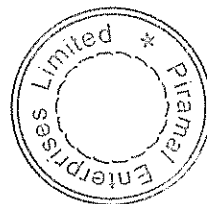
Staff Provident Fund of Piramal Healthcare Limited (PPFT)

**E. Key Management Personnel**

- Mr. Ajay G. Piramal
- Dr. (Mrs.) Swati A. Piramal
- Ms. Nandini Piramal
- Mr. Rajesh Laddha (Resigned w.e.f. February 10th, 2022)
- Mr. Khushru Jijina (appointed w.e.f. 01st April 2021)

**F. Relatives of Key Management Personnel**

- Mr. Anand Piramal (Son of Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal) [Non-Executive Director]
- Mr. Peter DeYoung (Husband of Ms. Nandini Piramal)

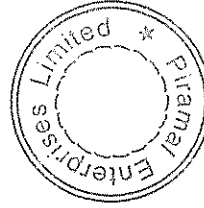


**PIRAMAL ENTERPRISES LIMITED**

**Notes to financial statements for the Year Ended March 31, 2022**

**G. Non Executive/Independent Directors**

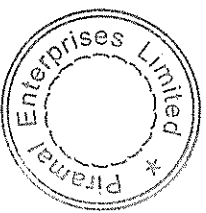
Dr. R.A. Mashelkar (Resigned w.e.f. October 28, 2020)  
Mr. Gautam Bhaerjee (Resigned w.e.f. 31st March 2022)  
Mr. Goverdhan Mehta (Resigned w.e.f. October 28, 2020)  
Mr. Vijay Shah (resigned from being a Whole-Time Director and continued as Non-Executive non-independent director of the Company w.e.f. May 11, 2020)  
Mr. N. Vaghul  
Mr. S. Ramadorai  
Mr. Deepak Satwalekar (resigned w.e.f. 26th July 2021)  
Mr. Keki Dadiseth (Resigned w.e.f. October 28, 2020)  
Mr. Siddhath N Mehta (Resigned w.e.f. February 04, 2020)  
Mrs. Arundhati Bhattacharya (w.e.f. October 25, 2018 and resigned w.e.f. April 16, 2020)  
Mr. Kunal Bahl (appointed w.e.f. October 14, 2020)  
Mr. Suhail Nathani (appointed w.e.f. October 14, 2020)  
Ms. Anjali Bansal (appointed w.e.f. November 19, 2020)  
Mr. Puneet Dalmita (appointed w.e.f. 7th October, 2021)  
Ms. Anita George (appointed w.e.f. 10th February, 2022)  
Ms. Shikha Sharma (appointed w.e.f. 31st March, 2022)



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

**2. Details of transactions with related parties.**

Details of Transactions	Subsidiaries		Joint Ventures		Associates & its subsidiaries		Other Related Parties		(Rs. in Crores) Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Purchase of Goods</b>										
- Piramal Glass Limited	-	-	-	-	-	-	-	-	-	-
- Piramal Critical Care Inc	925.96	14.61	-	-	-	-	-	-	2.23	2.23
- Piramal Pharma Limited	-	373.27	-	-	-	-	-	-	-	14.61
- Others	-	-	-	-	-	-	-	-	-	373.27
<b>TOTAL</b>	<b>925.96</b>	<b>387.88</b>	-	-	-	-	-	-	<b>2.23</b>	<b>925.96</b>
<b>Sale of Goods</b>										
- Allergan	-	-	-	-	-	-	-	-	-	-
- Piramal Pharma Limited	-	49.80	-	-	-	-	-	-	-	26.97
- Piramal Healthcare UK	-	7.31	-	-	-	-	-	-	-	49.80
- Piramal Critical Care Inc	-	52.83	-	-	-	-	-	-	-	7.31
- Piramal Healthcare, Canada	-	2.28	-	-	-	-	-	-	-	52.83
- Piramal Critical Care Limited	-	1.90	-	-	-	-	-	-	-	2.28
- Piramal Critical Care BV	-	10.47	-	-	-	-	-	-	-	1.90
- Ash Stevens	-	-	-	-	-	-	-	-	-	10.47
- Convergence	-	-	-	-	-	-	-	-	-	-
- Others	-	-	-	1.23	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>124.59</b>	-	<b>1.23</b>	-	-	-	-	-	<b>152.79</b>
<b>Rendering of Services</b>										
- Allergan	-	-	-	-	-	-	-	-	-	-
- Piramal Healthcare UK	-	1.29	-	-	-	-	-	-	-	1.29
- Piramal Pharma Limited	56.87	24.90	-	-	-	-	-	-	-	56.87
- Piramal Critical Care Inc	-	-	-	-	-	-	-	-	-	24.90
- Piramal Glass Limited	-	-	-	-	-	-	-	-	-	-
- Ash Stevens	-	-	-	-	-	-	-	-	-	0.98
<b>TOTAL</b>	<b>56.87</b>	<b>26.19</b>	-	-	-	-	-	-	<b>0.98</b>	<b>56.87</b>
<b>Guarantee commission income</b>										
- Piramal Healthcare UK	-	0.32	-	-	-	-	-	-	-	0.32
- PHL Fininvest	1.87	10.78	-	-	-	-	-	-	-	1.87
- Piramal Dutch Holdings N.V.	2.61	1.92	-	-	-	-	-	-	-	2.61
- Piramal Healthcare, Canada	-	-	-	-	-	-	-	-	-	-
- DRG Holdco Inc.	-	-	-	-	-	-	-	-	-	-
- PEL Pharma Inc.	1.49	1.10	-	-	-	-	-	-	-	1.49
- Piramal Critical Care Limited	4.34	1.86	-	-	-	-	-	-	-	4.34
- Convergence	0.03	0.04	-	-	-	-	-	-	-	0.03
- Others	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>10.34</b>	<b>16.02</b>	-	<b>0.15</b>	-	-	-	-	-	<b>10.35</b>
<b>Deemed capital contribution (Financial Guarantee)</b>										
- Piramal Capital and Housing Finance	-	3.77	-	-	-	-	-	-	-	3.77
<b>TOTAL</b>	<b>-</b>	<b>3.77</b>	-	-	-	-	-	-	-	<b>3.77</b>
<b>Receiving of Services</b>										
- Piramal Pharma Inc	-	2.51	-	-	-	-	-	-	-	2.51
- Ash Stevens Inc	-	10.88	-	-	-	-	-	-	-	10.88
- Piramal Healthcare UK	-	7.63	-	-	-	-	-	-	-	7.63
- PRL Agastya Private Limited	-	-	-	-	-	-	-	-	-	6.00
<b>TOTAL</b>	<b>-</b>	<b>21.02</b>	-	-	-	-	-	-	-	<b>27.02</b>

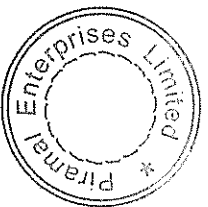
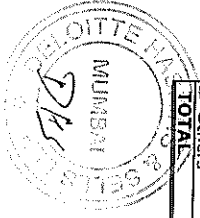




**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the year ended March 31, 2022

**2. Details of transactions with related parties.**

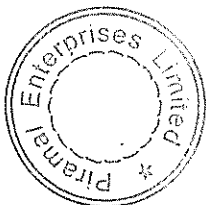
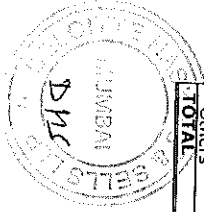
Details of Transactions	Subsidiaries		Joint Ventures		Associates & its Subsidiaries		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Royalty Expense</b>										
- PCSL	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-
<b>Rent Expense</b>										
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	-	-	-	-
- Gopikrishna Piramal Memorial Hospital	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-
<b>Rent Income</b>										
- Piramal Capital and Housing Finance	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-
<b>Reimbursement of expenses recovered</b>										
- Piramal Critical Care Inc	0.63	0.42	-	-	-	-	-	-	0.63	0.42
- Piramal Healthcare UK	0.45	0.46	-	-	-	-	-	-	0.45	0.46
- Piramal Capital and Housing Finance	0.56	0.15	-	-	-	-	-	-	0.56	0.15
- Piramal Healthcare, Canada	0.13	0.12	-	-	-	-	-	-	0.13	0.12
- Piramal Pharma Limited	81.03	43.70	-	-	-	-	-	-	81.03	43.70
- India Resurgence Asset Management Business Private Limited	-	-	-	-	-	-	-	-	-	-
- Piramal Consumer	0.07	-	-	0.31	-	-	-	-	0.07	0.31
- PRL Developers	-	-	-	-	-	-	-	-	-	-
- Ansa Decoglass Private Limited	-	-	-	-	-	-	-	-	-	-
- Gilder Buildcon Reaktors Private Limited	-	-	-	-	-	-	-	-	-	-
- Piramal Critical Care UK Limited	0.13	0.18	-	-	-	-	-	-	0.13	0.18
- Piramal Glass Limited	-	-	-	-	-	-	-	-	-	-
- Convergence	0.01	0.02	-	0.02	-	-	-	-	0.01	0.02
- Piramal Fund	0.05	0.05	-	-	-	-	-	-	0.05	0.05
- PRL Agastya Private Limited	0.15	-	-	-	-	-	-	-	0.15	-
- PHL Fininvest	0.10	0.07	-	-	-	-	-	-	0.10	0.07
- Piramal Pharma Solutions	0.07	3.44	-	-	-	-	-	-	0.07	3.44
- Piramal Healthcare LLC	-	-	-	-	-	-	-	-	-	-
- Piramal Estates	0.08	-	-	-	-	-	-	-	0.08	-
- Hemmo Pharmaceuticals	0.32	0.35	-	-	-	-	-	-	0.32	0.35
<b>TOTAL</b>	<b>83.78</b>	<b>49.11</b>	<b>0.33</b>	<b>0.33</b>	<b>0.43</b>	<b>0.16</b>	<b>0.46</b>	<b>0.37</b>	<b>83.79</b>	<b>49.81</b>
<b>Reimbursement of expenses paid</b>										
- Piramal Critical Care Inc	-	0.61	-	-	-	-	-	-	-	0.61
- Piramal Healthcare UK	-	0.33	-	-	-	-	-	-	-	0.33
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	-	-	-	-
- Ash Stevens	-	0.18	-	-	-	-	-	-	-	0.18
- Piramal Dutch Holdings N.V.	-	0.23	-	-	-	-	-	-	-	0.23
- PHL Pharma Inc.	-	0.04	-	-	-	-	-	-	-	0.04
- Piramal Healthcare, Canada	-	0.33	-	-	-	-	-	-	-	0.33
- Piramal Critical Care UK Limited	-	0.18	-	-	-	-	-	-	-	0.18
- Piramal Critical Care BV	0.03	0.14	-	-	-	-	-	-	0.03	0.14
- Gopikrishna Piramal Memorial	-	-	-	-	-	-	-	-	-	-
- Others	0.03	0.37	-	-	-	-	-	-	0.03	0.37
<b>TOTAL</b>	<b>0.03</b>	<b>2.41</b>	<b>-</b>	<b>-</b>	<b>0.43</b>	<b>0.16</b>	<b>0.46</b>	<b>0.37</b>	<b>2.57</b>	<b>2.57</b>



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

**2. Details of transactions with related parties.**

Details of Transactions	Subsidiaries		Joint Ventures		Associates & Intermediaries		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Contribution to Funds</b>										
- PPF	-	-	-	-	-	-	-	-	9.47	19.77
<b>TOTAL</b>	-	-	-	-	-	-	-	-	9.47	19.77
<b>Dividend Income/Distribution</b>										
- Piramal Pharma Limited	39.94	-	-	-	-	-	-	-	39.94	-
- Allergan	-	-	-	-	-	75.54	-	-	-	75.54
- India Resurgence Fund - Scheme 2	-	-	-	-	242.00	-	-	-	242.00	20.76
- Piramal Dutch IM Holdco B.V.	-	-	-	-	58.80	-	-	-	58.80	-
- Shriekha Business Consultancy	-	-	-	-	39.96	-	-	-	39.96	-
- Shriram City Union	-	-	-	-	-	6.16	-	-	-	6.16
- PLOF	-	-	-	-	-	-	-	-	-	0.14
<b>TOTAL</b>	39.94	0.14	-	20.76	340.76	81.70	-	-	380.71	102.60
<b>Finance granted / (repayments) - Net (including loans and Equity contribution / Investments in cash or in kind)</b>										
- Piramal Dutch Holdings	-	(543.37)	-	-	-	-	-	-	-	(543.37)
- DRG Holdco	-	-	-	-	-	-	-	-	-	-
- Piramal Dutch IM Holdco B.V.	(143.49)	(1,461.96)	-	-	-	-	-	-	(143.49)	(1,461.96)
- Convergence	(59.65)	(164.51)	(6.00)	-	-	-	-	-	(59.65)	(6.00)
- Piramal Fund	-	-	-	-	-	-	-	-	-	-
- Piramal Capital and Housing Finance (refer note below)	(875.00)	1,066.00	-	-	-	-	-	-	(875.00)	1,066.00
- PHL Fininvest	-	(2,925.65)	-	-	-	-	-	-	-	(2,925.65)
- India Resurgence Asset Management Business Private Limited	-	-	-	(7.53)	-	-	-	-	-	(7.53)
- IRAPL	-	-	-	-	-	-	-	-	-	-
- Piramal Ivanhoe Residential Equity Fund 1	-	-	-	-	-	-	-	-	-	-
- India Resurgence Fund - Scheme 2	(300.00)	52.10	66.57	(17.03)	-	-	-	-	66.57	(17.03)
- Piramal Investment Advisory Services	(13.16)	-	-	-	-	-	-	-	(13.16)	-
- Piramal Systems and Technologies private limited*	0.43	10.16	-	-	-	-	-	-	0.43	10.16
<b>TOTAL</b>	(1,390.87)	(3,967.23)	66.57	(30.56)	-	-	-	-	(1,324.30)	(3,997.79)

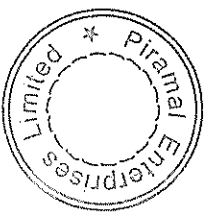


**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the year ended March 31, 2022

**2. Details of transactions with related parties.**

Details of Transactions	Subsidiaries		Joint Ventures		Associates & Intermediates		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Processing fees charged on debentures</b>										
- Piramal Finance	4.81	42.08	-	-	-	-	-	-	4.81	42.08
- PHL Fininvest	50.63	50.64	-	-	-	-	-	-	50.63	50.64
<b>TOTAL</b>	<b>55.44</b>	<b>92.72</b>	-	-	-	-	-	-	<b>55.44</b>	<b>92.72</b>
<b>Interest Received on Loans/Investments</b>										
- Piramal Pharma Limited	-	0.07	-	-	-	-	-	-	-	0.07
- Convergence	-	-	-	1.10	-	-	-	-	-	1.10
- Piramal Fund	8.16	11.06	-	-	-	-	-	-	8.16	11.06
- PHL Fininvest	271.37	607.73	-	-	-	-	-	-	271.37	607.73
- Piramal Dutch Holdings N.V.	-	9.06	-	-	-	-	-	-	-	9.06
- Piramal Dutch JM Holdco B.V.	-	24.21	-	-	-	-	-	-	-	24.21
- Piramal Capital and Housing Finance	193.29	170.44	-	-	-	-	-	-	193.29	170.44
- PEL Pharma Inc	-	1.74	-	-	-	-	-	-	-	1.74
- PEL Finhold	1.76	76.69	-	-	-	-	-	-	1.76	76.69
- Others	3.32	4.43	-	-	-	-	-	-	3.32	4.43
<b>TOTAL</b>	<b>477.89</b>	<b>905.43</b>	-	<b>1.10</b>	-	-	-	-	<b>477.89</b>	<b>906.53</b>
<b>Interest Income on debentures / commercial paper</b>										
- Piramal Capital and Housing Finance	20.15	26.06	-	-	-	-	-	-	20.15	26.06
- Piramal System	2.07	2.16	-	-	-	-	-	-	2.07	2.16
<b>TOTAL</b>	<b>22.22</b>	<b>28.22</b>	-	-	-	-	-	-	<b>22.22</b>	<b>28.22</b>
<b>Interest Expense on loans</b>										
- Piramal Capital and Housing Finance	-	5.70	-	-	-	-	-	-	-	5.70
<b>TOTAL</b>	-	<b>5.70</b>	-	-	-	-	-	-	-	<b>5.70</b>
<b>Interest Expense on debentures</b>										
- Piramal Capital and Housing Finance	-	-	-	-	-	-	-	-	-	-
- PHL Fininvest	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-

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.  
During the year ended March 31, 2022, the Company transferred certain financial assets of Nil (Previous Year : Rs. 388.42 crores) to Piramal Capital and Housing Finance Limited for an aggregate consideration of Nil (Previous Year: Rs. 388.42 crores). Accordingly the financial statements for the year ended March 31, 2022 are not comparable with the financial statements of the previous year.



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

**Compensation of key managerial personnel and its relatives**

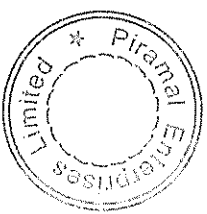
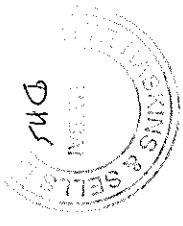
The remuneration of directors and other members of key managerial personnel and its relatives during the year was as follows:

Particulars	2022	2021
Short-term employee benefits	21.65	15.92
Post-employment benefits	2.41	1.59
Other long-term benefits	0.03	0.15
Commission and other benefits to non-executive/independent directors	3.22	3.73
<b>Total</b>	<b>27.31</b>	<b>21.39</b>

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee.

**3. Balances of related parties.**

Account Balances	Subsidiaries		Joint Ventures		Associates & its Subsidiaries		Other related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Loans to related parties - Unsecured (at amortised cost)</b>										
- Piramal Fund	29.70	89.35	-	-	-	-	-	-	29.70	89.35
- Piramal Capital and Housing Finance	2,666.00	2,666.00	-	-	-	-	-	-	2,666.00	2,666.00
- PHL Fininvest	2,873.64	3,748.64	-	-	-	-	-	-	2,873.64	3,748.64
- Piramal Investment Advisory Services	15.40	300.00	-	-	-	-	-	-	15.40	300.00
- Others**	5,584.74	10.70	-	-	-	-	-	-	5,584.74	10.70
<b>TOTAL</b>	<b>5,584.74</b>	<b>6,814.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,584.74</b>	<b>6,814.69</b>
**Previous year includes amount receivable from Piramal Systems, Net of provision for doubtful loans of Rs. 14.22 crores pertaining to Piramal Systems										
<b>Interest receivable on loans to related parties</b>										
- Piramal Fund	0.08	-	-	-	-	-	-	-	0.08	-
- Piramal Investment Advisory Services	0.08	0.16	-	-	-	-	-	-	0.08	0.16
<b>TOTAL</b>	<b>0.08</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.08</b>	<b>0.16</b>
<b>Current Account balances with related parties</b>										
- Piramal Healthcare UK	51.55	0.60	-	-	-	-	-	-	51.55	0.60
- Piramal Pharma Limited (Including consideration receivable)	-	655.37	-	-	-	-	-	-	-	655.37
- India Resurgence Asset Management Business Private Limited	-	(0.23)	0.36	-	0.36	-	-	-	0.36	(0.23)
- Piramal Dutch Holdings N.V.	-	0.17	-	-	-	-	-	-	-	0.17
- Piramal Capital and Housing Finance	3.66	0.12	-	-	-	-	-	-	3.66	0.12
- Piramal Healthcare, Canada	-	(0.15)	-	-	-	-	-	-	-	(0.15)
- Piramal Pharma Solutions	-	0.00	-	-	-	-	-	-	-	0.00
- Ash Stevens	0.14	-	-	-	-	-	-	-	0.14	-
- Piramal Glass Limited	-	-	-	-	-	-	-	-	-	-
- PRL Developers Pvt Ltd	-	-	-	-	-	-	-	-	-	-
- Glider Builders Realtors Private Limited	-	-	-	-	-	-	-	-	-	-
- Piramal Critical Care UK Limited	(0.18)	(0.18)	-	-	-	-	-	-	(0.18)	(0.18)
- Piramal Critical Care Inc	(0.18)	(0.18)	-	-	-	-	-	-	(0.18)	(0.18)
- PCL Healthcare LLC	3.51	3.44	-	-	-	-	-	-	3.51	3.44
- Piramal critical care pty	(0.00)	(0.15)	-	-	-	-	-	-	(0.00)	(0.15)
- Others	58.68	658.81	0.36	0.36	-	-	0.10	0.11	59.27	660.33
<b>TOTAL</b>	<b>58.68</b>	<b>658.81</b>	<b>0.36</b>	<b>0.36</b>	<b>-</b>	<b>-</b>	<b>0.23</b>	<b>1.15</b>	<b>59.27</b>	<b>660.33</b>



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

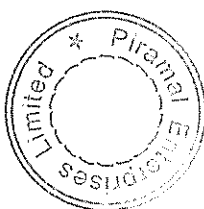
Account Balances	Subsidiaries		Joint Ventures		Associates and Intermediates		Other related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Income Receivable</b>										
- P/OF	0.07	0.05	-	-	-	-	-	-	0.07	0.05
<b>TOTAL</b>	<b>0.07</b>	<b>0.05</b>	-	-	-	-	-	-	<b>0.07</b>	<b>0.05</b>
<b>Trade Receivables</b>										
- Piramal Pharma Limited	-	25.32	-	-	-	-	-	-	-	25.32
- PRL Agastya Private Limited	-	-	-	-	-	-	-	0.03	-	0.03
- Allergan	0.46	-	-	-	0.19	-	-	-	-	0.19
- Piramal Healthcare UK Limited	0.08	-	-	-	-	-	-	-	0.46	-
- Others	-	-	-	-	-	-	-	-	0.08	-
<b>TOTAL</b>	<b>0.54</b>	<b>25.32</b>	-	-	-	-	-	-	<b>0.54</b>	<b>25.54</b>
<b>Unbilled Revenue</b>										
- Piramal Healthcare UK	-	14.08	-	-	-	-	-	-	-	14.08
- Piramal Critical Care Inc	-	9.44	-	-	-	-	-	-	-	9.44
<b>TOTAL</b>	-	<b>23.52</b>	-	-	-	-	-	-	-	<b>23.52</b>
<b>Deferred Income</b>										
- Piramal Capital and Housing Finance	-	4.81	-	-	-	-	-	-	-	4.81
- PHL Fininvest	86.31	136.94	-	-	-	-	-	-	86.31	136.94
<b>TOTAL</b>	<b>86.31</b>	<b>141.75</b>	-	-	-	-	-	-	<b>86.31</b>	<b>141.75</b>
<b>Advance to Vendor</b>										
- Piramal Fund Management Private Limited	-	0.28	-	-	-	-	-	-	-	0.28
- Piramal Glass Limited	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	<b>0.28</b>	-	-	-	-	-	-	-	<b>0.28</b>
<b>Long-Term Financial Assets</b>										
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-
<b>Trade Payable</b>										
- Piramal Pharma Limited	328.81	214.88	-	-	-	-	-	-	328.81	214.88
- Piramal Pharma Inc.	0.04	-	-	-	-	-	-	-	0.04	-
- Piramal Healthcare UK	-	0.14	-	-	-	-	-	-	-	0.14
- Piramal Critical Care Inc	-	-	-	-	-	-	-	-	-	-
- Piramal Corporate services Private Limited	-	-	-	-	-	-	-	-	-	-
- Piramal Glass Limited	-	-	-	-	-	-	-	-	-	-
- Piramal Pharma Solutions Inc	-	-	-	-	-	-	-	-	-	-
- Piramal Capital and Housing Finance	-	-	-	-	-	-	-	-	-	-
- Gopikrishna Piramal Memorial Hospital (GPMH)	-	-	-	-	-	-	-	-	-	-
- Piramal Critical Care Deutschland GmbH	0.08	-	-	-	-	-	-	-	0.08	-
- Others	0.23	-	-	-	-	-	-	-	0.23	-
<b>TOTAL</b>	<b>329.16</b>	<b>215.02</b>	-	-	-	-	-	-	<b>329.16</b>	<b>215.02</b>
<b>Other related Parties</b>										
- Piramal Enterprises Limited	7.28	7.28	-	-	-	-	-	-	7.28	7.28
- Piramal Enterprises Limited	0.09	1.72	-	-	-	-	-	-	0.09	1.72
- Piramal Enterprises Limited	0.09	1.72	-	-	-	-	-	-	0.09	1.72
- Piramal Enterprises Limited	0.16	-	-	-	-	-	-	-	0.16	-
<b>TOTAL</b>	<b>7.43</b>	<b>0.42</b>	-	-	-	-	-	-	<b>7.43</b>	<b>0.42</b>
<b>TOTAL</b>	<b>336.59</b>	<b>215.44</b>	-	-	-	-	-	-	<b>336.59</b>	<b>215.44</b>



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

Account Balances	Subsidiaries		Joint Ventures		Associates and Intermediates		Other related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Guarantee Commission Receivable / (Payable)</b>										
- Piramal Healthcare UK	-	0.02	-	-	-	-	-	-	-	0.02
- Piramal Healthcare Inc.	(0.13)	(0.13)	-	-	-	-	-	-	(0.13)	(0.13)
- Piramal Dutch Holdings N.V.	-	1.27	-	-	-	-	-	-	-	1.27
- PHL Pharma Inc.	-	0.73	-	-	-	-	-	-	-	0.73
- Phil Fininvest	-	4.05	-	-	-	-	-	-	-	4.05
- Piramal Critical Care UK Limited	2.74	0.57	-	-	-	-	-	-	2.74	0.57
- Convergence	-	0.11	-	-	-	-	-	-	-	0.11
<b>TOTAL</b>	<b>2.61</b>	<b>6.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.61</b>	<b>6.61</b>
<b>Investments</b>										
- India Resurgence Asset Management Business Private Limited	-	-	13.14	17.03	-	-	-	-	13.14	17.03
- India Resurgence Fund Scheme 2	-	-	236.76	170.19	-	-	-	-	236.76	170.19
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>249.90</b>	<b>187.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>249.90</b>	<b>187.22</b>

All outstanding balances are unsecured and are repayable in cash.





**PIRAMAL ENTERPRISES LIMITED**

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

39 Property, Plant & Equipment, Investment in Non Convertible Debentures, Other Financial Assets and Identified / specified Inter Corporate Deposits, and specified standard receivables relating to subsidiaries are mortgaged / hypothecated to the extent of Rs. 6,119 Crores (As on March 31, 2021 : Rs. 7,685 Crores) as a security against long term secured borrowings as at March 31, 2022.

Property, Plant & Equipment, Investment in Non Convertible Debentures, Other Financial Assets and Identified / specified Inter Corporate Deposits, and specified standard receivables relating to subsidiaries are mortgaged / hypothecated as a security to the extent of Rs. Nil (As on March 31, 2021 : Rs. 110 Crores) against short term secured borrowings as at March 31, 2022.

Particulars	For the year ended (Rs. in Crores)	
	March 31, 2022	March 31, 2021
Miscellaneous Expenses in Note 33 includes Auditors' Remuneration in respect of:		
A) Statutory Auditors:		
a) Audit Fees		0.95
b) GST Audit Fees	3.60	0.20
c) Other Services	0.17	0.13
d) Reimbursement of Out of pocket Expenses	-	0.04

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

Particulars	(Rs. in Crores)	
	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.88	4.16
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.15	7.86
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	36.04	19.36
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.30	0.16
The amount of interest accrued and remaining unpaid at the end of accounting year	0.45	8.02
Further interest remaining due and payable for earlier years	9.65	7.70

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.

(b) Ageing schedule of trade payables

As at March 31, 2022		Outstanding					Rs. in Crores	
Particulars	Not due	Less than 1 year	1 year - 2 years	2-3 years	More than 3 years	Total		
(i) MSME								
(ii) Others	2.78	1.94	0.04	0.00	0.12	4.88		
Total	142.37	229.12	-	1.62	2.74	375.85		
	145.15	231.06	0.04	1.62	2.86	380.73		

As at March 31, 2021		Outstanding					Rs. in Crores	
Particulars	Not due	Less than 1 year	1 year - 2 years	2-3 years	More than 3 years	Total		
(i) MSME								
(ii) Others	3.24	0.79	0.00	-	0.13	4.16		
Total	101.41	87.94	6.74	6.71	0.98	203.78		
	104.65	88.73	6.74	6.71	1.11	207.94		

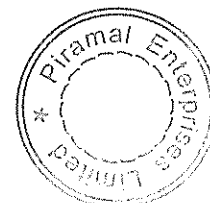
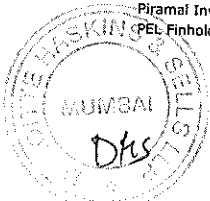
Accrued expenses amount to Rs. 184.48 Crores as on March 31, 2022 (as on March 31, 2021 - Rs. 229.47 Crores)

42 The Company has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Principal amounts outstanding as at the year-end were:

**Subsidiary Companies**

Subsidiary Companies	(Rs. in Crores)	
	As at March 31, 2022	As at March 31, 2021
Piramal Systems & Technologies Private Limited ( Refer note 4)	-	13.16
Piramal Fund Management Private Limited	29.70	89.35
Piramal Capital & Housing Finance Limited	2,666.00	2,666.00
PHL Fininvest Private Limited	2,873.64	3,748.64
Piramal Asset Management Private Limited	15.40	10.70
Piramal Investment Advisory Services Private Limited	-	300.00
PEL Finhold Private Limited	-	21.50



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

The maximum amounts outstanding during the year were:  
Subsidiary Companies

	For the year ended March 31, 2022	(Rs. In Crores) For the year ended March 31, 2021
PHL Fininvest Private Limited	3,748.64	7,536.68
Piramal Fund Management Private Limited	89.35	253.86
Piramal Capital & Housing Finance Limited	2,666.00	2,666.00
Piramal Systems & Technologies Private Limited	13.16	16.08
Piramal Dutch Holdings N.V.	-	480.49
Piramal Dutch IM Holdco B.V.	-	1,410.18
PEL Pharma Inc.	-	154.04
Piramal Consumer Products Private Limited	15.40	10.70
Piramal Asset Management Private Limited	300.00	300.00
Piramal Investment Advisory Services Private Limited	-	24.50
Convergence Chemicals Private Limited	-	13.54
Piramal Pharma Limited	0.20	1.00
Piramal Securities Limited	21.50	1,295.15
PEL Finhold Private Limited	-	-

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

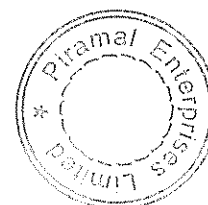
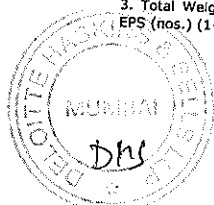
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Basic EPS for the year (Rs.)</b>		
From continuing operations		6.75
From discontinued operations	24.02	(5.07)
<b>Total basic EPS</b>	<b>24.02</b>	<b>1.68</b>
<b>Diluted EPS for the year (Rs.)</b>		
From continuing operations		6.75
From discontinued operations	23.93	(5.07)
<b>Total diluted EPS</b>	<b>23.93</b>	<b>1.68</b>
Face value per share (Rs.)	2.00	2.00

(a) Profit/ (Loss) attributable to the owners of Piramal Enterprises Limited used in calculation of basic and diluted earnings per share

Particulars	For the year ended March 31, 2022	(Rs. In Crores) For the year ended March 31, 2021
1. Profit/ (Loss) after tax from continuing operations attributable to the equity shareholders	572.28	(120.22)
2. Profit/ (Loss) from discontinued operations attributable to the equity shareholders	-	160.12
3. Profit for the year attributable to the equity shareholders (1+2)	572.28	39.90

(b) Weighted average number of shares used in calculation of basic and diluted earnings per share

Particulars	Number of shares	
	For the year ended March 31, 2022	For the year ended March 31, 2021
1. Weighted Average Number of Equity Shares for calculating Basic EPS (nos.)	23,82,93,390	23,71,27,756
2. Weighted Average Potential Equity Shares in respect of right shares reserved for CCD holders and right shares held in abeyance (nos.)	8,93,013	21,43,733
3. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) (1+2)	23,91,86,403	23,92,71,489



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

**44 (i) Amounts recognised in the balance sheet**

The Balance sheet shows the following amounts relating to leases:

**Right-of-use assets**

**Movement during the year ended March 31, 2022**

Category of Asset	Opening as on April 1, 2021	Additions during 2021-22	Deductions / Transfer during 2021-22	Depreciation for 2021-22	Closing as on March 31, 2022
Building	14.12	7.07	0.52	10.63	10.04
Leasehold Land	0.54	-	0.47	-	0.07
Storage unit	0.08	-	0.08	-	-
Guest House	0.54	-	-	0.23	0.31
IT Assets	3.92	-	-	2.83	1.09
<b>Total</b>	<b>19.20</b>	<b>7.07</b>	<b>1.07</b>	<b>13.69</b>	<b>11.51</b>

Lease liabilities as on April 1, 2021 21.43

**Movement during the year ended March 31, 2021**

Category of Asset	Opening as on April 1, 2020	Additions during 2020-21	Deductions during 2020-21	Depreciation for 2020-21	Closing as on March 31, 2021
Building	32.34	5.30	7.25	16.28	14.12
Leasehold Land	5.78	-	5.20	0.04	0.54
Storage unit	0.48	-	-	0.40	0.08
Guest House	0.30	0.56	-	0.32	0.54
IT Assets	8.03	-	-	4.11	3.92
<b>Total</b>	<b>46.93</b>	<b>5.86</b>	<b>12.45</b>	<b>21.15</b>	<b>19.20</b>

Lease liabilities as on April 1, 2020 42.80

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on lease liabilities (included in finance cost) -Refer note 32	1.32	2.99
Expense relating to short-term leases (included in Other Expenses) -Refer note 33	0.51	3.10
Expense relating to leases of low-value assets (other than short term leases as disclosed above) (included in Other expenses) -Refer note 33	3.28	1.03

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2021 is 8.91%.

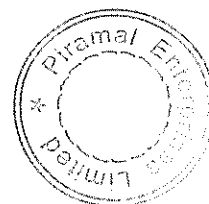
The bifurcation below provides details regarding the contractual maturities of lease liabilities as of March 31, 2022 and March 31, 2021 on an undiscounted basis:

	As at March 31, 2022	As at March 31, 2021
1 year	8.56	14.70
1-3 years	3.68	8.20
3-5 years	1.86	0.21
More than 5 years	-	0.04

**45 Investment Property**

Investment property, recorded at a carrying value of Rs. 1,335.31 crores, consists of land development rights acquired during the previous year ended March 31, 2021, without any restriction on its realisability and is being held for capital appreciation and eventual monetization by exploring various options.

In accordance with Ind AS 113, the fair value of investment property is determined by the Company at Rs. 1,734 crores (Previous Year: Rs. 1,579 crores) following the risk-adjusted discounted cash flow method and based on Level 3 inputs from an independent valuation expert, as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.



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

46 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 notes 18 and 21 offset by cash and bank balances) and total equity of the Company. The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through convertible and non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

	(Rs. in Crores)	
	As at March 31, 2022	As at March 31, 2021
Equity		
<b>Total Equity</b>	23,121.53	23,183.74
Borrowings - Non Current		
Borrowings - Current	3,749.07	3,386.21
<b>Total Debt</b>	2,098.06	3,285.69
Cash & Cash equivalents	5,847.13	6,671.90
<b>Net Debt</b>	(975.19)	(893.24)
<b>Debt/Equity Ratio</b>	4,871.94 0.21	5,778.66 0.25

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

**47 Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks. The Senior Management along with a centralized treasury manages the liquidity and interest rate risk on the balance sheet.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Management
Liquidity risk	Borrowings and other liabilities	The Senior Management along with centralized treasury deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
Market risk - Interest rate	Long-term borrowings at variable rates	The Senior Management along with centralized treasury reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
Market risk - Securities price risks	Equity Investment	The Company continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk - Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes measures to hedge the exposure based on prevalent macroeconomic conditions.
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit  Each Investment in financial services is assessed by the investment team as well as independent risk team on the risk return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.

**a. Liquidity Risk Management**

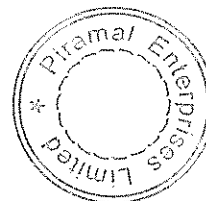
Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Senior Management along with centralized treasury is responsible for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Company has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

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

Particulars	(Rs. in Crores)	
	March 31, 2022	March 31, 2021
Undrawn credit lines	6,748.00	10,790.00
	6,748.00	10,790.00

Note: This includes Non-Convertible Debentures (Rs. 2,034 crores), Market Linked Debentures (Rs. 708 crores) and Commercial Papers (Rs. 4,006 crores) where only credit rating has been obtained and which can be issued, if required, within a short period of time.



**PIRAMAL ENTERPRISES LIMITED**

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

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the 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.

**Maturities of Financial Liabilities**

Borrowings  
Trade Payables  
Lease liability  
Other Financial Liabilities

	March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	2,396.02	4,135.10	47.79	-
Trade Payables	565.20	-	-	-
Lease liability	8.56	3.68	1.86	-
Other Financial Liabilities	48.35	-	-	-
<b>Total</b>	<b>3,018.13</b>	<b>4,138.78</b>	<b>49.65</b>	<b>-</b>

**Maturities of Financial Liabilities**

Borrowings  
Trade Payables  
Lease liability  
Other Financial Liabilities

	March 31, 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	3,778.07	4,017.81	7.80	43.89
Trade Payables	437.41	-	-	-
Lease liability	14.70	8.20	0.21	0.04
Other Financial Liabilities	55.65	-	-	-
<b>Total</b>	<b>4,285.83</b>	<b>4,026.01</b>	<b>8.01</b>	<b>43.93</b>

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

**Maturities of Financial Assets**

Investments & Loans  
Loans to related parties  
Trade Receivables

	March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	1,141.35	1,348.93	-	372.04
Loans to related parties	897.88	3,514.42	2,335.78	-
Trade Receivables	156.62	-	-	-
<b>Total</b>	<b>2,195.85</b>	<b>4,863.35</b>	<b>2,335.78</b>	<b>372.04</b>

**Maturities of Financial Assets**

Investments & Loans  
Loans to related parties  
Trade Receivables

	March 31, 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	-	703.69	-	398.70
Loans to related parties	971.12	2,507.13	5,145.35	-
Trade Receivables	162.87	-	-	-
<b>Total</b>	<b>1,133.99</b>	<b>3,210.82</b>	<b>5,145.35</b>	<b>398.70</b>

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 at March 31, 2022.

In case of undrawn loan commitments, the expected maturities are as under:

Particulars	March 31, 2022		March 31, 2021	
	Upto 3 year	Upto 5 year	Upto 3 year	Upto 5 year
Commitment to Piramal Capital & Housing Finance Limited (fund and non fund based)	-	-	2,084.00	-
Commitment to invest in ICDs of PHL Fininvest Private	7,126.36	-	6,251.36	-
<b>Total</b>	<b>7,126.36</b>	<b>-</b>	<b>8,335.36</b>	<b>-</b>

Particulars	(Rs. in Crores)	
	March 31, 2022	March 31, 2021
Commitment to invest in AIF	1 to 3 years	1 to 3 years
<b>Total</b>	<b>78.09</b>	<b>2.66</b>
	<b>78.09</b>	<b>2.66</b>

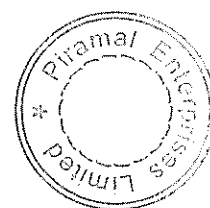
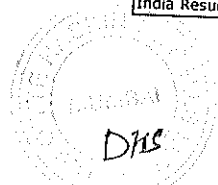
Company has below commitments to invest in AIF in addition to above which will be invested as and when suitable investment opportunity arises:

**Commitment as on March 31, 2022**

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund	-	-	-	-
India Resurgence Fund - Scheme 2	100.00	66.04	784.72	20.60
			737.37	500.61

**Commitment as on March 31, 2021**

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund	-	-	732.07	258.07
India Resurgence Fund - Scheme 2	100.00	75.34	731.15	550.85



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

**b. Interest Rate Risk Management**

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

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

Particulars	(Rs. in Crores)	
	March 31, 2022	March 31, 2021
Variable rate borrowings	-	100.00
Fixed rate borrowings	5,844.50	6,696.11
	<u>5,844.50</u>	<u>6,796.11</u>

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

If interest rates related to borrowings had been 100 basis points higher / lower and all other variables were held constant, the Company's Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2022 would decrease/increase by NIL (Previous Year Rs 1.00 Crores). This is attributable to the Company's exposure to borrowings at floating interest rates.

If interest rates related to loans given / debentures invested had been 100 basis points higher/lower and all other variables were held constant, the Company's Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2022 would increase/decrease by Rs. 29.19 Crores (Previous year Rs. 41.70 Crores). This is attributable to the Company's exposure to lendings at floating interest rates.

**c. Other price risks**

The Company is exposed to equity price risks arising from equity investments and classified in the balances sheet at fair value through Other Comprehensive Income.

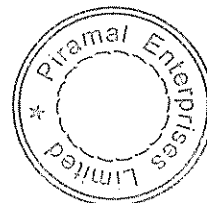
**Equity price sensitivity analysis (Refer note 4):**

The table below summarises the impact of increases/decreases (pre-tax) on the Company's Equity and OCI for the year. Analysis is based on the assumption that equity index had increased/decreased by 5% with all the other variables held constant, and these investments moved in the line with the index.

Particulars	Rs. in Crores	
	Impact on OCI	
	March 31, 2022	March 31, 2021
Equity Index, Increase by 5%	71.82	72.80
Equity Index, Decrease by 5%	(71.82)	(72.80)

The Company has designated the following securities as FVTOCI Investments (Refer note 4):  
Shriram City Union Finance Limited  
Clarivate PLC

The Company chose this presentation alternative because the investment were made for strategic purposes rather than with a view to make profit on subsequent sale.





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

**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, 2022		As at March 31, 2021	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
Forward contracts to sell USD / INR	-	-	60.00	459.01

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

Currencies	As at March 31, 2022		As at March 31, 2021	
	Trade receivables		Trade receivables	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
EUR	-	-	0.04	0.38
GBP	-	-	0.14	1.44
USD	2.54	19.26	3.42	25.01

Currencies	As at March 31, 2022		As at March 31, 2021	
	Trade payables / (advance to suppliers)		Trade payables / (advance to suppliers)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
AUD	0.00	0.02	0.01	0.04
CHF	1.48	11.91	0.23	1.77
EUR	0.05	0.41	0.11	0.95
GBP	0.03	0.38	(0.02)	(0.25)
USD	1.80	8.72	(1.27)	(9.30)
JPY	0.22	0.02	0.22	0.02
RUB	-	-	0.02	*

Currencies	As at March 31, 2022		As at March 31, 2021	
	Current Account Balances receivable (payable)		Current Account Balances receivable (payable)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
USD	-	-	0.69	5.03
GBP	-	-	0.01	0.06
CNY	0.02	0.17	-	-
CAD	0.21	0.25	-	-
RUB	0.90	0.20	0.02	0.13
			5.38	0.53

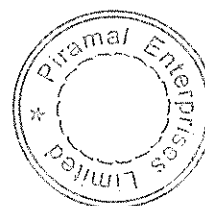
\* Amounts are below the rounding off norms adopted by the Company

**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	Currencies	Increase /Decrease	For the year ended March 31, 2022				For the year ended March 31, 2021			
			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 year (in Rs. Crores)	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 year (in Rs. Crores)
	USD	Increase by 5%**	2.54	1.80	3.79	0.28	4.11	(1.27)	3.66	1.97
	USD	Decrease by 5%**	2.54	1.80	(3.79)	(0.28)	4.11	(1.27)	(3.66)	(1.97)
	GBP	Increase by 5%**	0.02	0.03	4.97	(0.01)	0.15	(0.02)	5.04	0.09
	GBP	Decrease by 5%**	0.02	0.03	(4.97)	0.01	0.15	(0.02)	(5.04)	(0.09)
	EUR	Increase by 5%**	-	0.05	4.21	(0.02)	0.04	0.11	4.29	(0.03)
	EUR	Decrease by 5%**	-	0.05	(4.21)	0.02	0.04	0.11	(4.29)	0.03

\*\* Holding all the other variables constant



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

**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.

The Company has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The 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.

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.

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 year ended March 31, 2022:

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

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

**As at March 31, 2022**

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	Nil (USD)	-	-	Nil	-	Not applicable	Nil	Not applicable

(In Crores)

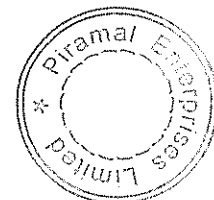
**As at March 31, 2021**

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	Nil (USD)	-	-	2.94	-	Not applicable	7.08	Revenue

(In Crores)

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

Movement in Cash flow hedge reserve for the years ended	March 31, 2022 (Rs. In Crs)
<b>As on March 31, 2020</b>	
Effective portion of changes in fair value:	(14.32)
Foreign exchange forward contracts	3.42
Tax on movements on reserves during the year	(0.48)
Contracts novated to PPL	5.53
Tax on the Contracts novated to PPL	(1.23)
<b>Net amount reclassified to profit or loss:</b>	
Foreign exchange forward contracts	9.97
Tax on movements on reserves during the year	(2.89)
<b>As on April 1, 2021</b>	
Effective portion of changes in fair value:	
Foreign exchange forward contracts	-
Tax on movements on reserves during the year	-
<b>Net amount reclassified to profit or loss:</b>	
Foreign exchange forward contracts	-
Tax on movements on reserves during the year	-
<b>As on March 31, 2022</b>	



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

**f. Credit Risk**

Typically, the receivables of the Company can be classified in 2 categories:

1. Pharma Trade Receivables
2. Financial Services business - i) Loan Book primarily comprising of Real estate developers, Infrastructure Companies and Others ; and ii) Strategic Investment made in other corporate bodies.

Please refer Note 10 for risk mitigation techniques followed for Pharma Trade Receivables. Risk mitigation measures for Financial Services business primarily comprising of Real Estate Developers and Corporate Finance Groups are explained in the note below.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies or mutual funds.

**Financial Services Business**

The Company is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining

**Wholesale lending:**

The Company's Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments made by the Company. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

The lending exposure includes lending to the below sectors :

Sectors	Exposure as at	
	March 31, 2022	March 31, 2021
Real Estate	39.28%	39.09%
Infrastructure	57.97%	58.35%
Others	2.76%	2.56%

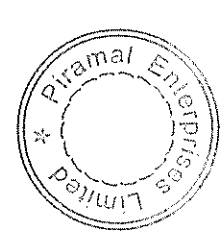
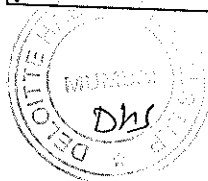
**Credit Risk Management**

**For wholesale lending business, credit**

- Cash flow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.
  - Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
  - Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
  - Exit – This is an assessment of the liquidity of the loan or investment.
- The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk

Risk Grading	Description
I	Extremely good loan
II	Good loan
III	Moderate loan
IV	Weak loan
V	Extremely weak loan



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

Further, a periodic review of the performance of the portfolio is also carried out by the Group's risk team. The Group's risk team adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

**Provision for Expected Credit Loss**

The Company has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. The Company makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No.vii of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired). For the purpose of expected credit loss analysis the Company defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

The Company provides for expected credit loss based on the following:

Category - Description	Stages	Basis for Recognition of
Assets for which credit risk has not significantly increased from initial recognition	Stage 1	12 month ECL
Assets for which credit risk has increased significantly but not credit impaired	Stage 2	Life time ECL
Assets for which credit risk has increased significantly and credit impaired	Stage 3	Loss Given Default (LGD)

The Company has developed a PD Matrix after considering some parameters as stated below :

The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc. . Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project fiancé etc.) - (1) Sponsor strength (2) Overdues (3) Average Debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Company has computed the PD.

The Company has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD. The Company also maintains Expected Credit Loss for undisbursed limits after applying the Credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

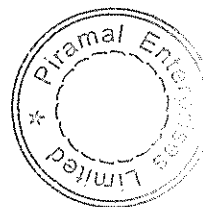
**Impact of Covid -19 pandemic on the credit risk**

The outbreak of Covid-19 pandemic across the globe and in India had contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Company through its financial services segment offers long term and short term wholesale lending primarily to the real estate and infrastructure sector. In accordance with Reserve Bank of India (RBI) guidelines, the Company had proposed a moratorium benefit on the payment of principal instalments and / or interest, to all eligible borrowers classified as standard, even if overdue as on February 29, 2020 excluding the collections already made in the month of March 2020, basis approval by the management on a case to case basis. Accordingly, for all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period. (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the company's policy).

The company had ran a scenario analysis as on March 31, 2020 using proprietary algorithm-based risk models on the portfolio taking into account the possible impact related to Covid - 19 pandemic and had estimated and recognised an additional expected credit loss of Rs. 303 Crores on certain financial assets, on account of the anticipated effect of the global health pandemic. During the year ended March 31, 2021 the Company had utilized/reversed provision of Rs. 162.84 crores out of the above.

The Company has, based on available information (internal and external) and economic forecasts, estimated and applied management overlays, for the purpose of determination of the provision for impairment of financial assets. The management continued to consider macroeconomic overlay similar to its previous study.

As a result of 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. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.



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

Expected Credit Loss as at end of the Reporting period:

As at March 31, 2022

Particulars	Asset Group	Gross Carrying Amount (Exposure)	(Rs. in Crores)	
			Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets/Related party loans	Receivable from Related Parties	5,646.70	-	5,646.70
	Investments at amortised cost	13.14	-	13.14
	Other Financial Assets & Loans	30.11	-	30.11
Assets for which credit risk has increased significantly and assets which are credit impaired	Investments at amortised cost	272.49	163.40	109.10
	Loans at amortised cost	107.85	82.68	25.17
<b>Total</b>		<b>6,070.29</b>	<b>246.08</b>	<b>5,824.22</b>

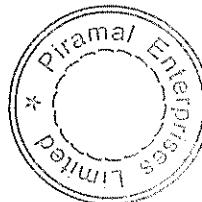
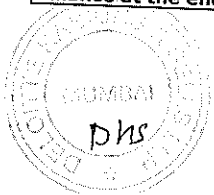
As at March 31, 2021

Particulars	Asset Group	Gross Carrying Amount (Exposure)	(Rs. in Crores)	
			Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets/Related party loans	Receivable from Related Parties	7,486.53	-	7,486.53
	Investments at amortised cost	286.28	-	286.28
	Other Financial Assets & Loans	69.70	-	69.70
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	131.60	8.57	123.03
	Loans at amortised cost	-	-	-
Assets for which credit risk has increased significantly and assets which are credit impaired	Investments at amortised cost	282.77	154.83	127.94
	Loans at amortised cost	121.68	82.68	39.00
<b>Total</b>		<b>8,378.56</b>	<b>246.08</b>	<b>8,132.48</b>

i) Reconciliation of Loss Allowance

For the year ended March 31, 2022

Investments and Loans	Loss allowance measured at 12 month expected losses	(Rs. in Crores)	
		Loss allowance measured at life-time	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit-impaired
Balance at the beginning of the year			
On Account of Rate Change	8.57	-	237.51
On Account of Repayments/Transfers	-	-	8.57
<b>Balance at the end of the year</b>	<b>(8.57)</b>	<b>-</b>	<b>-</b>
	<b>0.00</b>	<b>-</b>	<b>246.08</b>



**PIRAMAL ENTERPRISES LIMITED**

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

For the year ended March 31, 2021

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not	Financial assets which are credit-impaired
Balance at the beginning of the year			
Transferred to Lifetime ECL credit impaired - specific provision	188.09	-	220.83
On Account of Rate Change		-	-
On Account of Repayments/Transfers	(1.83)	-	17.99
<b>Balance at the end of the year</b>	<b>(177.69)</b>	<b>-</b>	<b>(1.31)</b>
	<b>8.57</b>	<b>-</b>	<b>237.51</b>

\* The reduction in provision is on account of repayments and transfer of portfolio during the year (Refer Note 38(2)).

ii) The amounts of Financial Assets outstanding in the Balance Sheet along with the undrawn loan commitments (Refer Note 47(a)) as at the end of the reporting period represent the maximum exposure to credit risk.

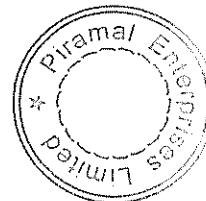
**Description of Collateral held as security and other credit enhancements**

The Company generally ensures a security cover of more than 100% of the proposed facility amount. The Company periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Company varies on case to case basis and includes:

- i) First / Subservient charge on the Land and / or Building of the project or other projects
- ii) First / Subservient charge on the fixed and current assets of the borrower
- iii) Hypothecation over receivables from funded project or other projects of the borrower
- iv) Pledge on Shares of the borrower or their related parties
- v) Guarantees of Promoters / Promoter Undertakings
- vi) Post dated / Undated cheques
- vii) Pledge on investment in shares made by borrower entity

iii) The credit impaired assets as at the

Particulars	(Rs. in Crores)	
	As at	As at
	March 31, 2022	March 31, 2021
Value of Security	134.27	166.94





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

48 In the previous year, the Company's research and development centers at Mumbai, Ennore and Ahmedabad have been transferred to Piramal Pharma Ltd. pursuant to transfer of pharma business. (Refer Note 53(a))  
 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:

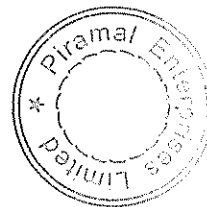
Description	(Rs. in Crores)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue Expenditure*		53.56
<b>TOTAL</b>		<b>53.56</b>
Capital Expenditure, Net		
Additions to Property Plant & Equipment	-	1.04
Additions to Intangibles under Development	-	3.39
<b>TOTAL</b>		<b>4.43</b>

\*The amount included in Note 33, under R&D Expenses (net) does not include Rs. Nil (Previous Year Rs. 40.68 Crores) relating to Ahmedabad locations. (Refer Note 53(a))

**49 Movement in Provisions :**

Particulars	(Rs. in Crores)	
	Litigations / Disputes	
	2022	2021
Balances as at the beginning of the year		3.50
Additions	3.50	-
Unwinding of Discount	-	-
Revaluation of closing balances	-	-
Amount used	-	-
Unused amounts reversed	-	-
<b>Balances as at the end of the year</b>		
Classified as Non-current	3.50	3.50
Classified as Current (Refer Note 24)	-	-
<b>TOTAL</b>	<b>3.50</b>	<b>3.50</b>

Provision for litigation / disputes represents claims against the Company not acknowledged as debts that are expected to materialise in respect of matters under litigation. Future cash outflows are determinable only on receipt of judgments/decisions pending with various forums/authorities.



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

**50 Income taxes relating to operations**

**a) Tax expense recognised in statement of profit and loss**

Particulars	(Rs.in Crores)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Current tax (for continuing and discontinuing operations) :</b> In respect of the current year	19.18	-
<b>Deferred tax (for continuing and discontinuing operations) :</b> In respect of the current year	-	-
Tax adjustment for earlier years (Refer note h)	49.65	79.58
	<b>49.65</b>	<b>79.58</b>
Total tax expense recognised	<b>68.83</b>	<b>79.58</b>
<b>Total tax expense attributable to</b> from continuing operations	68.83	51.02
from discontinuing operations	-	28.56

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

Particulars	(Rs.in Crores)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Current tax :</b>	-	-
<b>Deferred tax :</b> Arising on income and expenses recognised in other comprehensive income: Fair value Remeasurement of hedging instruments entered into for cash flow hedges	-	3.37
Changes in fair values of equity instruments	48.03	(10.46)
Remeasurement of defined benefit obligation	(0.06)	0.03
Total tax expense recognised	<b>47.97</b>	<b>(7.06)</b>

**c) Deferred tax balances**

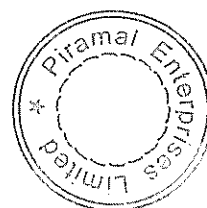
The following is the analysis of deferred tax assets/(liabilities) presented in the separate statement of financial position:

	(Rs.in Crores)	
	March 31, 2022	March 31, 2021
Deferred tax assets	137.62	160.58
Deferred tax liabilities	(17.94)	(39.22)
	<b>119.69</b>	<b>121.36</b>

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

**d) Movement of Deferred Tax during the year ended March 31, 2022**

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in Capital reserves (Refer note 53(a) )	(Rs. in Crores)
					Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>					
Measurement of financial liabilities at amortised cost	(31.27)	22.02	-	-	(9.25)
Measurement of financial assets at amortised cost/fair value	34.03	(48.47)	-	-	(14.44)
Provision for assets of financial services	59.84	(1.65)	48.03	-	106.22
Fair value measurement of derivative contracts	(0.16)	0.16	-	-	-
Other Provisions	11.32	0.78	-	-	12.10
Property, Plant and Equipment and Intangible Assets	(7.79)	(0.90)	-	-	(8.69)
Deferred Revenue	35.68	(13.96)	-	-	21.72
Amortisation of expenses which are allowed in current year	0.19	(0.05)	-	-	0.14
Expenses that are allowed on payment basis	18.17	(8.50)	-	-	9.67
Recognition of lease rent expense	1.35	0.92	-	(0.06)	2.27
<b>Total</b>	<b>121.36</b>	<b>(49.65)</b>	<b>48.03</b>	<b>(0.06)</b>	<b>119.69</b>



Movement of Deferred Tax during the year ended March 31, 2021

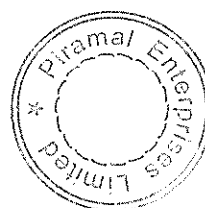
Particulars	Opening balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Recognised in Capital reserves (Refer note 53(a) )	(Rs. in Crores)
					Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>					
Measurement of financial liabilities at amortised cost	(19.64)	(11.63)		-	(31.27)
Measurement of financial assets at amortised cost/fair value	25.76	(2.19)		-	34.03
Provision for assets of financial services	100.83	(40.99)	10.46	-	59.84
Fair value measurement of derivative contracts	4.44	(1.23)		-	(0.16)
Other Provisions	5.23	6.09		-	11.32
Property, Plant and Equipment and Intangible Assets			(3.37)	-	(0.16)
Deferred Revenue	(175.17)	8.38		-	11.32
Amortisation of expenses which are allowed in current year	59.02	(23.34)		159.00	(7.79)
Expenses that are allowed on payment basis	0.23	(0.04)		-	35.68
Recognition of lease rent expense	32.87	(14.67)		-	0.19
<b>Total</b>	<b>1.31</b>	<b>0.04</b>	<b>(0.03)</b>	<b>-</b>	<b>18.17</b>
	<b>34.88</b>	<b>(79.58)</b>	<b>7.06</b>	<b>159.00</b>	<b>121.36</b>

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

Particulars	(Rs. in Crores)	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Profit before tax from continuing and discontinuing operations</b>		
<b>Income tax expense calculated at 25.17%</b>	641.15	119.48
Effect of expenses that are not deductible in determining taxable profit	161.38	30.07
Effect of incomes which are exempt from tax	4.35	74.44
Effect of deduction in tax for interest on Compulsorily Convertible Debentures	-	-
Tax adjustment for earlier years on account of new tax regime being opted (refer note h)	(7.99)	(36.94)
Effect of capital gains on sale of investments in shares of subsidiaries	-	8.90
Effect of deduction from dividend income	(6.00)	-
Others	(96.06)	(21.13)
<b>Income tax expense recognised in profit or loss</b>	<b>11.18</b>	<b>24.24</b>
	<b>66.86</b>	<b>79.58</b>

f) The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the year 2021-22 and 2020-21.

g) In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.



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

**51 Fair Value Measurement**

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

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
<b>Investments</b>						
Loans	2,380.26	1,436.50	122.23	1,544.45	1,456.07	537.26
Cash & Bank Balances	-	-	5,609.98	-	-	6,860.69
Trade Receivables	-	-	1,078.42	-	-	966.11
Other Financial Assets	-	-	145.77	-	-	155.00
	2,380.26	1,436.50	7,048.40	1,544.45	1,456.07	734.54
<b>Financial Liabilities</b>						
Borrowings (including current maturities of Long Term Borrowings)	-	-	5,847.13	-	-	6,671.90
Trade Payables	-	-	565.20	-	-	437.41
Other Financial Liabilities	-	-	51.27	0.64	-	75.44
	-	-	6,473.60	0.64	-	7,185.75

**b) Fair Value Hierarchy and Method of Valuation**

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

Financial Assets	Notes	Carrying Value	March 31, 2022			Total
			Level 1	Level 2	Level 3	
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
<b>Investments</b>						
Investments in Equity Instruments						
Investments in Preference Shares	iii.	0.15	0.15	-	-	0.15
Investments in Mutual Funds	i.	106.84	-	-	-	106.84
Investments in debentures or bonds :	iii.	604.44	604.44	-	-	604.44
Redeemable Non-Convertible Debentures						
Investment in Alternative Investment Fund	iii.	559.31	-	-	559.31	559.31
<b>Measured at FVTOCI</b>						
Investments in Equity Instruments	iv.	1,109.52	-	-	1,109.52	1,109.52
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
<b>Investments</b>						
Investments in debentures or bonds (Gross of adjustment for Expected Credit Loss allowance)	iii.	1,436.50	1,436.50	-	-	1,436.50
<b>Loans</b>						
Term Loans (Gross of adjustment for Expected Credit Loss allowance)	vi.	285.63	-	-	285.63	285.63
Intercompany Deposits (Gross of adjustment for Expected Credit Loss allowance)	vi.	24.38	-	-	24.38	24.38
<b>Financial Liabilities</b>						
Borrowings (including Current Maturities of Long -Term Borrowings) (Gross)	vi.	2,749.47	-	-	2,749.47	2,749.47
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
<b>Borrowings (including Current Maturities of Long -Term Borrowings) (Gross)</b>						
Measured at FVTPL	vii.	5,847.13	-	-	6,005.65	6,005.65
Derivative Financial Liabilities	v.	-	-	-	-	-

Financial Assets	Notes	Carrying Value	March 31, 2021			Total
			Level 1	Level 2	Level 3	
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
<b>Investments</b>						
Investments in Preference Shares						
Investments in debentures or bonds :	i.	105.00	-	-	105.00	105.00
Redeemable Non-Convertible Debentures	ii.	554.60	-	-	554.60	554.60
Investment in Alternative Investment Fund	iv.	634.84	-	-	634.84	634.84
<b>Measured at FVTOCI</b>						
Investments in Equity Instruments	iii.	1,456.07	1,456.07	-	-	1,456.07
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
<b>Investments</b>						
Investments in debentures or bonds (Gross of adjustment for Expected Credit Loss allowance)						
<b>Loans</b>						
Term Loans (Gross of adjustment for Expected Credit Loss allowance)	vi.	700.66	269.26	-	433.94	703.20
Intercompany Deposits (Gross of adjustment for Expected Credit Loss allowance)	vi.	24.38	-	-	24.38	24.38
<b>Financial Liabilities</b>						
Borrowings (including Current Maturities of Long -Term Borrowings) (Gross)	vi.	2,770.14	-	-	2,752.26	2,752.26
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
<b>Borrowings (including Current Maturities of Long -Term Borrowings) (Gross)</b>						
Measured at FVTPL	vii.	6,671.90	-	-	6,727.84	6,727.84
Derivative Financial Liabilities	v.	0.64	-	0.64	-	0.64

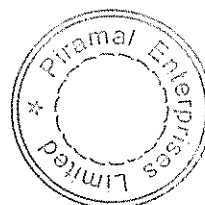
Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values. Similarly in case of financial assets/liabilities maturing in the next 12 months and loans or borrowings with variable rates of interest, the company considers carrying amount recognized in the financial statements to approximate their fair values.

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

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for Investment in Preference Shares, Alternative Investment Funds, Debentures, Term Loans and Inter Corporate Deposits.



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

**Valuation techniques used to determine the fair values:**

- i. The fair value of the preference shares has been calculated by using price to earnings method.
- ii. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market bids, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data.
- iii. This includes listed equity instruments which are fair valued using quoted prices and closing NAV in the market.
- iv. Investments in Alternative Investment Funds is valued based on the net asset value received from the fund house.
- v. This includes forward exchange contracts whose fair value is determined using forward exchange rate at the balance sheet date.
- vi. Discounted cash flow method basis contractual cash flow has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates. Credit risk adjustment has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.
- vii. Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

- c) Fair value measurements for financial assets measured at FVTPL using significant unobservable inputs (level 3)  
The following table presents the changes in level 3 items for the year ended March 31, 2022 and March 31, 2021.

Particulars	Debentures (NCDs & OCDs)	Preference shares	Alternative Investment Funds	Share Warrants	(Rs. In Crores)	
					Total	
<b>As at March 31, 2020</b>						
Acquisitions	673.51	105.00	78.77	1.48		858.76
Gains / (Losses) recognised in profit or loss	(21.93)	-	524.70	-		524.70
Revisions	(96.98)	-	31.37	(1.48)		7.96
<b>As at March 31, 2021</b>	<b>554.60</b>	<b>105.00</b>	<b>634.84</b>	<b>-</b>		<b>(96.98)</b>
Acquisitions	46.50	1.84	209.00	-		1,294.44
Gains / (Losses) recognised in profit or loss	13.47	-	258.40	-		337.40
Transfer out during the year	(55.26)	-	(72.70)	-		(271.87)
<b>As at March 31, 2022</b>	<b>559.31</b>	<b>106.84</b>	<b>1,109.52</b>	<b>-</b>		<b>1,275.67</b>

d) Valuation Process

The Company engages external valuation consultants to fair value below mentioned financial instruments measured at FVTPL. The main level 3 inputs used for preference shares and debentures are as follows:

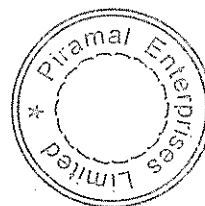
- 1) For Non Convertible Debentures, Waterfall approach has been used to arrive at the yields for securities held by the Company. For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data have been used.
- 2) The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates.
- 3) For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data have been used.
- 4) For Preference Shares and Optionally Convertible Debentures, considered the value as maximum of debt value or equity value as on valuation date. For computation of debt value, discounted cash flow method has been used. For computation of equity value, market approach - comparable company multiple approach, the price to earnings multiple of peer companies in particular has been used.

e) Sensitivity for instruments measured at FVTPL:

Nature of the Instrument	Fair value As on March 31, 2022	Fair value As on March 31, 2021	Significant unobservable Inputs*	Increase / Decrease In the unobservable Input	Sensitivity Impact for the year ended March 31, 2022			
					Sensitivity Impact for the year ended March 31, 2021			
					FV Increase	FV Decrease	FV Increase	FV Decrease
Non Convertible Debentures	512.81	554.60	Discount rate	0.70%				
			Equity component (projections)	10%	(3.51)	3.54	(1.45)	1.46
Preference Shares	105.00	105.00	Equity valuation	10%	-	-	-	-
	105.00	105.00	Discount rate	0.7% (0.375% for March 2021)	(1.10)	1.11	(0.60)	0.60

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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



**PIRAMAL ENTERPRISES LIMITED**

**Notes to financial statements for the Year ended March 31, 2022**

**52(a)** (i) On December 19, 2019, 115,894 Compulsorily Convertible Debentures ("CCD") having face value of Rs. 151,000 per CCD were allotted to Caisse de dépôt et placement du Québec for an aggregate amount of Rs. 1,749.99 crores. Each CCD is convertible into 100 equity shares having face value of Rs. 2 each.

During the year ended March 31, 2022, the Company has allotted 1,15,89,400 equity shares {face value of Rs. 2 each} pursuant to the compulsory conversion of these CCDs.

**52(b)** (i) On December 24, 2019, the Company offered 27,929,649 equity shares under Rights Issue at a price of Rs.1,300 per share (including premium of Rs.1,298 per share). Out of the aforesaid issue, 26,385,861 equity shares were allotted by the Company on January 29, 2020 and 1,535,944 Rights Equity shares have been reserved for the CCD Holder (as per regulation 74(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018) and 7,844 Rights Equity Shares have been kept in abeyance.

Further, the Company on June 28, 2021 had allotted 1,535,944 right shares to the CCD Holder out of the portion reserved under the Right Issue made by the Company vide Letter of offer dated 24th December, 2019.

(ii) On March 8, 2018, the Company had issued 8,310,275 equity shares under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share). Out of this rights issue, 11,298 and 7,485,574 equity shares were allotted by the Company during the year ended March 31, 2019 and year ended March 31, 2018, respectively.

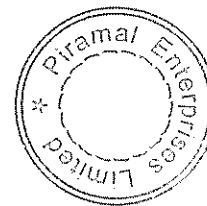
During the three months ended June 30, 2019 and September 30, 2019, 213,392 and 66 equity shares, respectively, were allotted by the Company under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share) to the CCD holders out of the Right Equity shares reserved for them (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and shares held in abeyance.

As on March 31, 2021, 24,573 Rights equity shares have been kept in abeyance. 575,372 Rights equity shares reserved for the CCD holders (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) have not been subscribed by them and these unsubscribed rights shall be dealt with by the Board of Directors of the Company, in accordance with the law and hence are considered to be dilutive in nature.

During the year ended March 31, 2022, the Board at its meeting held on February 10, 2022 had approved cancellation of the unsubscribed portion of the issued capital representing 575.372 equity shares of ₹2 each aggregating to ₹1,150.744. which was

**52(c)** Proceeds from the rights issue have been utilised upto March 31, 2022 in the following manner :

Particulars	(Rs. in Crores)	
	Planned	Actual till 31/03/2022
a) Repayment or prepayment, in full or in part, of certain borrowings in Piramal Enterprises Ltd & Piramal Capital Housing Finance Ltd	2,900.00	2,900.00
b) General Corporate Purposes		
Add: Issue related expenses	718.31	718.31
<b>Total</b>	<b>3,630.85</b>	<b>3,630.85</b>





**PIRAMAL ENTERPRISES LIMITED**

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

**53 (a) Discontinued operations**

**(i) Transfer of Pharma Business:**

The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had inter alia, approved the sale of the major line of pharmaceuticals business, ('Pharma business'), including those held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Ltd., a subsidiary of the Company ('PPL'). The transaction was completed on October 6, 2020 on receipt of requisite approvals. The consideration received by the company from PPL is Rs 4,487 crores and the excess of such consideration the net assets, net of tax, has been transferred to capital reserve, the transaction being a common control transaction under Ind AS 103 "Business Combinations".

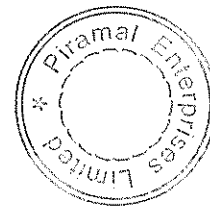
Consequently, operations relating to the Pharma Business in respect of total income, total expenses and tax have been disclosed separately as Discontinued Operations as part of the results. The previous periods have been restated in the standalone financial statements to give effect to the presentation requirements of Ind AS 105: " Non - Current Assets Held for Sale and Discontinued Operations"

**(ii) Analysis of profit/ (loss) for the year from discontinued operations:**

Particulars	Year Ended March 31, 2021
Revenue from operations	1,075.84
Other income	81.35
<b>Total Income (I)</b>	<b>1,157.19</b>
Cost of Goods Sold	395.38
Other expenses	535.70
<b>Total Expenses (II)</b>	<b>931.08</b>
<b>Profit/(Loss) before exceptional items and tax ((I)-(II))</b>	<b>226.11</b>
Exceptional items	(37.43)
<b>Profit/(Loss) before tax</b>	<b>188.68</b>
Less: Tax expense	28.56
<b>Profit/(Loss) from discontinued operations after tax</b>	<b>160.12</b>
<b>Other Comprehensive Income and (Expense) (OCI)</b>	
Deferred gains / (losses) on cash flow hedge, net of tax	4.30
<b>Total Comprehensive Income, net of tax expense</b>	<b>164.42</b>

**(iii) Cash flows from discontinued operations**

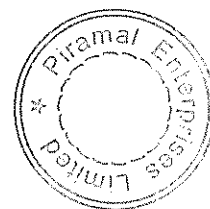
Particulars	Year Ended March 31, 2021
Net cash inflows from operating activities	52.57
Net cash outflows from investing activities	(50.71)
Net cash outflows from financing activities	(1.12)



**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2022**

**53(b) Disposal of Pharmaceutical business**

<b>Particulars</b>	<b>Rs. in Crores</b>
<b>(i) Consideration received</b>	<b>Year Ended</b>
	<b>March 31, 2021</b>
Consideration in form of cash received	3,710.00
Consideration in form of cash receivable	592.00
Consideration in form of shares	185.00
<b>Total consideration</b>	<b>4,487.00</b>
<b>(ii) Analysis of asset and liabilities over which control was lost on October 6, 2020:</b>	
<b>Assets</b>	
Property, Plant & Equipment	1,273.29
Investment in Subsidiaries, Associates and Joint Venture	1,526.42
Other Intangible Assets	339.47
Trade receivables	458.82
Inventories	530.21
Other assets	570.60
<b>Total assets</b>	<b>4,698.81</b>
<b>Liabilities</b>	
Trade payables	516.60
Other liabilities	142.44
Other Equity	4.30
<b>Total liabilities</b>	<b>663.34</b>
<b>Net assets disposed off</b>	<b>4,035.47</b>
<b>(iii) Gain on disposal</b>	
Consideration	4,487.00
Less: Net assets disposed off	(4,035.47)
Less: Difference in carrying value of investment transferred and fair value of shares received	(98.56)
Add: Tax adjusted in reserves*	93.79
<b>Gain on disposal</b>	<b>446.76</b>



54 Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The Company does not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act 1961)
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not been declared as a wilful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guidance on wilful defaulters issued by Reserve Bank of India.
- (vi) The Company has complied with the number of layers prescribed under clause (B7) of section 2 of the act read with companies (Restriction on number of Layers) Rules, 2017
- (vii) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources of kind of funds) to any other person(s) of entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in a party ("Ultimate Beneficiaries") Identified by or on behalf of the Company. There are no funds received from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities ("Ultimate beneficiaries") Identified by or on behalf of the funding party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.
- (x) The Company has transactions with companies struck off under section 245 of the Companies Act, 2013 or section 560 of Companies Act, 1956, and disclosed as under:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
New Golden Transport Company	Receivables	-*	Customer
HMS Services Pvt. Ltd	Payable	-*	Vendor
Secureplus Allied Private Limited	Payable	-*	Vendor

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2021	Relationship with the Struck off company, if any, to be disclosed
HMS Services Pvt. Ltd	Payable	-*	Vendor
HMS Networks Pvt Ltd	Payable	-*	Vendor
Secureplus Allied Private Limited	Payable	-*	Vendor

\*Amounts below rounding off norms

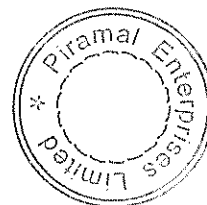
55 Ratio disclosure

Ratio	Definition	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance (%)	Reasons for variance
Current ratio	Current Assets / Current liabilities	Current Assets	Current liabilities	1.06	0.78	36%	Due to repayment of current borrowings.
Debt-equity ratio	Total Debt/Total Equity	Total Debt	Total Equity	0.25	0.29	-12%	
Debt service coverage ratio	(Profit before Interest, Tax and Exceptional Items) / (Interest Expense on long term debt+ Principal Repayment of long term Debt)	Profit before Interest, Tax and Exceptional Items	Interest Expense on long term debt+ Principal Repayment of long term Debt	0.66	0.19	254%	Majorly due to increase in profit and decline in repayment of long term debt* compared to previous year
Return on equity ratio	(Net Profits after taxes - Preference Dividend) / Average Shareholder's Equity	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	2.52%	0.60%	317%	Due to significant increase in profits for current year compared to previous year
Inventory turnover ratio	Cost of goods sold/Average Inventory)- Annualised (in days)	Cost of goods sold	Average Inventory)- Annualised (in days)	59.06	63.21	-7%	
Trade receivables turnover ratio	Sales of Products and Services / Average Trade Receivable Annualised (In days)	Sales of Products and Services	Average Trade Receivable Annualised (in days)	51.43	69.00	-25%	On account of transfer of Pharma business, average trade receivables have reduced significantly (Refer note 53)
Trade payables turnover ratio	Net Purchases/Average Trade Payables	Net Purchases	Average Trade Payables	167.53	390.90	-57%	On account of transfer of Pharma business, average trade payables have reduced significantly (Refer note 53)
Net capital turnover ratio	Sales of Products and Services) / Working Capital	Sales of Products and Services	Working Capital	0.47	0.22	109%	Majorly due to significant increase in sale of Pharma products compared to previous year.
Net profit ratio	Profit after tax before exceptional Items/Revenue from operations	Profit after tax before exceptional items	Revenue from operations	26.17%	7.57%	19%	
Return on capital employed	Earning before interest and taxes/ Capital Employed	Earning before interest and taxes	Capital Employed	30.29%	12.16%	18%	
Return on investment	Net Income on Investments / Cost of Investments	Net Income on investments	Cost of Investments	1.49%	0.22%	1.27%	

\*Variance is less than 25%

Note - The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had inter alia, approved the sale of the major line of pharmaceuticals business, ('Pharma business'), including those held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Ltd. (PPL), a subsidiary of the Company. Consequently, operations relating to the Pharma Business in respect of total income, total expenses and tax have been disclosed separately as Discontinued Operations as part of the results. Accordingly, the ratios as reported for the current period are not comparable with the Ratios reported for previous period(s)/ year.

56 Vide Order dated June 7, 2021, the Mumbai bench of the Hon'ble National Company Law Tribunal ("NCLT") approved the Resolution Plan submitted by Piramal Capital & Housing Finance Limited ("PCHFL"), wholly-owned subsidiary of the Piramal Enterprises Limited, for the Corporate Insolvency resolution process of Dewan Housing Finance Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016. After receiving necessary approvals, PCHFL has discharged its obligation under the resolution plan by paying ₹ 34,250 crores on September 28, 2021 through cash consideration of Rs. 14,717.47 crores (of which Rs. 12,800 crores paid out of acquired cash) and issue of Debentures of Rs. 19,532.53 crores and further, pursuant to the Resolution plan, PCHFL merged into DHFL to conclude acquisition on September 30, 2021 (Implementation Date/ acquisition date). As per Ind AS 103, purchase consideration has been allocated based on fair value of the assets acquired and liabilities assumed as on the acquisition date. Upon merger, the Company has received equity shares of DHFL in exchange for its equity investments in PCHFL.



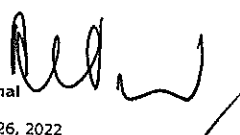
**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2022**

57 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.


58 The financial statements have been approved for issue by Company's Board of Directors on May 26, 2022.

Signature to note 1 to 58 of financial statements

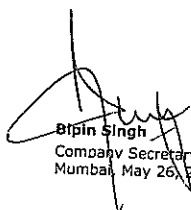
**For and on behalf of the Board of Directors**



**Anav G. Piramal**  
Chairman  
Mumbai, May 26, 2022



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 26, 2022



**Bipin Singh**  
Company Secretary  
Mumbai, May 26, 2022

## **INDEPENDENT AUDITOR'S REPORT**

### **To The Members of Piramal Enterprises Limited Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Piramal Enterprises Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their

reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Emphasis of Matter**

As more fully described in Note 2(b)(i) to the Consolidated Financial statements, to assess the recoverability of certain assets, the Group has considered internal and external information in respect of the current and estimated future global including Indian 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Impairment loss allowance on loans and Investments pertaining to finance business</b></p> <p><b>Charge: (Rs. 152.46) Crore for year ended 31 March 2021</b>  <b>Provision: Rs. 2,819.77 Crore at 31 March 2021 (including on loan commitments of Rs. 109.83 crore)</b></p> <p>Refer to the accounting policies in Note 2(a)(ix), Note 2(b)(iv) and Note 49(f) to the consolidated financial statements</p>	
1(a)	<p>Of Rs. 2,819.77 Crore of expected credit loss provisioning as at March 31, 2021, Rs. 1,848.46 Crore (including on loan commitment of Rs. 90.23 crore), are audited by Other Auditors of the Component.</p> <p>The Component is in the business of wholesale and retail lending primarily to the real estate and infrastructure sector.</p> <p>The key audit matter provided below is as communicated by the Other Auditors:</p> <p><b>Subjective estimate</b></p> <p>Under Ind AS 109, Financial Instruments,</p>	<p>As principal auditors, we had issued written communication to the auditor of the component ('Other Auditors') for key audit procedures to be performed by them.</p> <p>In accordance with such communication, below is summary of procedures performed by the Other Auditors, as reported by them.</p> <ul style="list-style-type: none"> <li>• Performing an end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. Testing the relevant manual controls, general IT and application controls over key systems used in the ECL process.</li> <li>• Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.</li> <li>• Testing the Component's controls over</li> </ul>



<p>allowance for loan losses is determined using an expected credit loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified significant management judgement and therefore increased levels of audit focus in the Component’s estimation of ECLs are:</p> <ul style="list-style-type: none"> <li>• Data inputs - The application of ECL model requires several data inputs. This increases the risk relating to the completeness and accuracy of the data that has been used to create assumptions in the model.</li> <li>• Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity associated with Component’s modelling approach.</li> <li>• Economic scenarios – Ind AS 109 requires the Component to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19</li> <li>• Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant</li> </ul>	<p>authorization and calculation of management overlays.</p> <ul style="list-style-type: none"> <li>• Evaluating whether the methodology applied by the Component is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings.</li> <li>• Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of periods considered, economic forecasts, weights, and model assumptions applied.</li> <li>• Assessing the ‘Governance Framework’ over validation, implementation and model monitoring in line with the RBI guidance.</li> <li>• Testing certain model calculations through re-performance</li> <li>• Assessing whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient.</li> <li>• Involvement of specialists by Other auditors - involved financial risk modelling specialists for the following: <ul style="list-style-type: none"> <li>i. Evaluating the appropriateness of the Component’s Ind AS 109 impairment methodologies and reasonableness of assumptions used (including management overlays).</li> <li>ii. For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.</li> <li>iii. The reasonableness of the Component’s considerations of the impact of the current economic environment due to COVID-19 on the ECL determination.</li> </ul> </li> </ul> <p>Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors w.r.t. wholesale loan portfolio consisted of:</p> <ol style="list-style-type: none"> <li>a) Reviewing a written summary of the audit procedures performed by the Other Auditors.</li> <li>b) Discussion with the Component’s Management to understand the key assumptions (i.e., staging, EAD,</li> </ol>
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	<p>management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19.</p> <p>As a part of risk assessment, we determined that the effect of these matters has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.</p> <p>Disclosures</p> <p>The disclosures regarding the Component's application of Ind AS 109 are key to explaining the significant judgements and material inputs to the Ind AS 109 ECL results.</p>	<p>PD and LGD rates) and other inputs, including macro-economic factors, used in the computation of ECL provision.</p> <p>c) Discussion with the Other Auditors on their assessment and conclusions relating to impact of COVID-19, macro-economic factors, triggers for significant increase in credit risk and other inputs used in computation of ECL provision.</p> <p>d) On a sample basis, independently retesting loan contracts and evaluating the key assumptions used in the computation of ECL provision.</p> <p>e) Discussion with the Other Auditors on their evaluation of events upto the date of the audit report, and obtaining communication in this regard</p>
<p>1 (b)</p>	<p>Of Rs. 2,819.77 Crore of expected credit loss provisioning as at March 31, 2021, Rs. 720.04 Crore (including on loan commitment of Rs. 19.60 Crore), are audited by Other Auditors.</p> <p>The Component is in the business of wholesale lending primarily to the real estate and infrastructure sector.</p> <p><b>Subjective estimate</b></p> <p>Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using an expected credit loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified significant management judgement and therefore increased levels of audit focus in the Component's estimation of ECLs are:</p> <ul style="list-style-type: none"> <li>• Data inputs - The application of ECL model requires several data inputs. This increases the risk relating to the completeness and accuracy of the data that has been used to create</li> </ul>	<p>As principal auditors, we had issued written communication to the auditor of the component ('Other Auditors') for key audit procedures to be performed.</p> <p>In accordance with such communication, the procedures performed by the Other Auditors, as reported by them, have been provided below.</p> <ul style="list-style-type: none"> <li>• Performing an end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. Testing the relevant manual controls, general IT and application controls over key systems used in the ECL process.</li> <li>• Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.</li> <li>• Testing the Component's controls over authorization and calculation of management overlays.</li> <li>• Evaluating whether the methodology applied by the Component is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including checking</li> </ul>

<p>assumptions in the model.</p> <ul style="list-style-type: none"> <li>• Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity associated with Component’s modelling approach.</li> <li>• Economic scenarios – Ind AS 109 requires the Component to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19</li> <li>• Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19.</li> </ul> <p>As a part of risk assessment, we determined that the effect of these matters has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.</p> <p>Disclosures</p>	<p>mathematical accuracy of the workings.</p> <ul style="list-style-type: none"> <li>• Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of periods considered, economic forecasts, weights, and model assumptions applied.</li> <li>• Assessing the ‘Governance Framework’ over validation, implementation and model monitoring in line with the RBI guidance.</li> <li>• Testing certain model calculations through re-performance.</li> <li>• Assessing whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the Standalone financial statements are appropriate and sufficient.</li> <li>• Involvement of specialists Other auditors - involved financial risk modelling specialists for the following: <ul style="list-style-type: none"> <li>i. Evaluating the appropriateness of the Component’s Ind AS 109 impairment methodologies and reasonableness of assumptions used (including management overlays).</li> <li>ii. For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.</li> <li>iii. The reasonableness of the Component’s considerations of the impact of the current economic environment due to COVID-19 on the ECL determination.</li> </ul> </li> </ul> <p>Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of:</p> <ul style="list-style-type: none"> <li>• Reviewing a written summary of the audit procedures performed by the Other Auditors.</li> <li>• Discussion with the Component’s Management to understand the key assumptions (i.e., staging, EAD, PD and LGD rates) and other inputs, including macro-economic factors, used in the computation of ECL provision.</li> <li>• Discussion with the Other Auditors on their assessment and conclusions relating to impact of COVID-19, macro-economic factors, triggers for significant increase in credit risk and other inputs used in computation of ECL provision.</li> </ul>
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	<p>The disclosures regarding the Component's application of Ind AS 109 are key to explaining the significant judgements and material inputs to the Ind AS 109 ECL results.</p>	<ul style="list-style-type: none"> <li>• On a sample basis, independently retesting loan contracts and evaluating the key assumptions used in the computation of ECL provision.</li> <li>• Discussion with the Other Auditors on their evaluation of events upto the date of the audit report, and obtaining communication in this regard.</li> </ul>
1 (c)	<p>Of Rs. 2,819.77 Crore of expected credit loss provisioning as at March 31, 2021, Rs. 246.08 Crore are audited by us.</p> <p>The Parent as part of its financial services segment offers long term and short-term wholesale lending primarily to the real estate and infrastructure sector. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Company applies the expected credit loss (ECL) model for recognising impairment loss.</p> <p>The Company's assessment of expected credit loss involves use of judgements and estimates, such as determination of probability of default (PD), determination of the staging, loss given default (LGD), exposure at default (EAD), estimating Management overlay for economic uncertainty expected to result from COVID 19 pandemic, forward looking information and macro-economic factors, in computing the ECL on loans and investments.</p>	<p>We performed the following key audit procedures:</p> <ol style="list-style-type: none"> <li>a) We held discussions with the Management and performed an overall assessment of the ECL provision at each stage including management's assessment of COVID-19 impact, to determine if the provision was reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.</li> <li>b) We evaluated the design of internal controls relating to the computation of ECL provision, the key assumptions (i.e., staging, EAD, PD and LGD rates) and other inputs used therein, including macro-economic factors</li> <li>c) We selected a sample of loan contracts and tested the operating effectiveness of controls over computation of ECL provision, the key assumptions and inputs used therein, through inspection of evidence of performance of these controls or independently re-performing the control.</li> <li>d) Through a sample of loan contracts, we performed substantive procedures, including test of details to evaluate adequacy of ECL provisioning made.</li> </ol>
2.	<p>Recoverable value assessment of Investment Property (Land Development Rights) - Carrying Value of Rs. 1,297.63 crore and Recoverable Value of Rs 1,579 crore. [Refer to Note 2a(vii), 2b (ix) and Note 57 to the consolidated financial statements]</p>	
	<p>The Parent has acquired development rights for certain land parcels which are classified as Investment Property and held for capital appreciation.</p> <p>The management while determining the recoverable value has exercised significant judgments and estimates relating to expected revenue, related cost and risk-adjusted discount rates.</p> <p>We have identified recoverable value assessment of investment property as a key audit matter for the current year</p>	<p>We performed the following key audit procedures:</p> <ol style="list-style-type: none"> <li>a) Obtained understanding of management's process and evaluated design and tested operating effectiveness of controls for determination of recoverable value of the investment property.</li> <li>b) Performed physical verification of the underlying Investment Property and corroborated the saleable area with the Letter of intent and independent architect certificate obtained by the management.</li> <li>c) Obtained the recoverable value working prepared by the management basis the inputs from an an</li> </ol>

	<p>audit as the Company exercises significant judgement in estimating the recoverable value of investment property.</p>	<p>independent valuation expert for the project to evaluate the appropriateness of the underlying data, methodology applied and assumption used by the management for determining the recoverable value of investment property. We have also involved internal valuation specialist, to evaluate the appropriateness of the key assumptions used by the management for determining the recoverable value of investment property.</p>
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**Information Other than the Financial Statements and Auditor’s Report Thereon**

- The Parent’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor’s report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management’s Responsibility for the Consolidated Financial Statements**

The Parent’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls 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 ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future



events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

(a) We did not audit the financial statements / financial information of 22 subsidiaries, whose financial statements / financial information reflect total assets of Rs. 73,467.23 crores as at 31 March 2021, total revenues of Rs. 9,986.32 crores and net cash flows amounting to Rs. 354.97 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 239.16 crores for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of an associate and a joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far

as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of 17 subsidiaries, whose financial statements / financial information reflect total assets of Rs. 4,882.67 crores as at 31 March 2021, total revenues of Rs. 373.32 crores and net cash flows amounting to Rs.26.26 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 95.35 crores for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of two associates and seven joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries, an associate and a joint venture referred to in the Other Matters section above, we report, to the extent applicable that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Parent as on 31 March 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, an associate company and a joint venture company incorporated in India, none of the directors of the Group companies, its associate company and joint venture company

incorporated in India 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, an associate company and a joint venture company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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, and having regard to the independent legal opinions obtained by the Company, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 read with Schedule V 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and a joint venture;

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies, an associate company and a joint venture company, incorporated in India.

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



Rupen K. Bhatt  
(Partner)  
(Membership No. 046930)  
(UDIN: 21046930AAAAC9850)

Place: Mumbai  
Date: 1 June 2021

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of the Piramal Enterprises 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”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of Piramal Enterprises Limited (hereinafter referred to as “the Parent”) and its subsidiary companies, an associate company and a joint venture company, which are companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate company and its joint venture company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the 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 and the audit evidence obtained by the other auditors of the subsidiary companies, an associate companies and a joint venture company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate company and its joint venture company, which are companies incorporated in India.

### **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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate company and a joint venture company, which are companies incorporated in India, have, 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 criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to ten subsidiary companies, an associate company and a joint venture company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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



Rupen K. Bhatt  
(Partner)  
(Membership No. 046930)  
(UDIN: 21046930AAACT9850)

Place: Mumbai  
Date: 1 June 2021



**PIRAMAL ENTERPRISES LIMITED**  
Consolidated Balance Sheet as at March 31, 2021

	Note No.	As at		As at	
		March 31, 2021		March 31, 2020	
		Rs. in Crores		Rs. in Crores	
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
(a) Property, Plant & Equipment	3		2,732.86		2,432.90
(b) Capital Work in Progress			400.84		266.12
(c) Goodwill	41		1,114.28		1,139.07
(d) Other Intangible Assets	3		2,522.19		2,661.85
(e) Intangible Assets under development			234.82		250.99
(f) Right Of Use Assets	55		193.40		181.65
(g) Investment property	57		1,297.63		-
(h) Financial Assets:					
(i) Investments					
- Investments accounted for using the equity method	4(a)	4,316.85		4,218.24	
- Other Investments	4(b)	14,150.32		12,274.16	
(ii) Loans	5	27,387.67		31,304.48	
(iii) Other Financial Assets	6	519.52	46,374.36	549.55	48,346.43
(i) Deferred tax assets (Net)	7		937.24		2,372.32
(j) Other Non-Current Assets	8		1,443.82		1,144.17
<b>Total Non-Current Assets</b>			<b>57,251.44</b>		<b>58,795.50</b>
<b>Current Assets</b>					
(a) Inventories	9		1,299.23		1,061.17
(b) Financial Assets:					
(i) Investments	4(b)	3,562.09		2,950.39	
(ii) Trade Receivables	10	1,544.73		1,324.39	
(iii) Cash & Cash equivalents	11	5,719.01		4,340.94	
(iv) Bank balances other than (iii) above	12	1,305.71		430.18	
(v) Loans	13	5,045.61		4,075.79	
(vi) Other Financial Assets	14	605.99	17,783.14	1,118.23	14,239.92
(c) Other Current Assets	15		785.05		801.99
(d) Asset classified as held for sale	56		-		10.00
<b>Total Current Assets</b>			<b>19,867.42</b>		<b>16,113.08</b>
<b>Total Assets</b>			<b>77,118.86</b>		<b>74,908.58</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	16	45.11		45.11	
(b) Other equity	17	33,972.85		30,526.48	
(c) Non-controlling interests		1,121.00		-	
<b>Total equity</b>			<b>35,138.96</b>		<b>30,571.59</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
(a) Financial Liabilities:					
(i) Borrowings	18	28,096.76		20,306.25	
(ii) Lease Liabilities	55	140.39		144.20	
(iii) Other Financial Liabilities	19	-	28,237.15	0.72	20,451.17
(b) Provisions	20		30.16		65.21
(c) Deferred tax liabilities (Net)	21		222.68		8.22
(d) Other Non-Current Liabilities	22		142.66		139.39
<b>Total Non-Current Liabilities</b>			<b>28,632.65</b>		<b>20,663.99</b>
<b>Current liabilities</b>					
(a) Financial Liabilities:					
(i) Borrowings	23	3,362.45		7,949.91	
(ii) Trade payables					
Total outstanding dues of Micro enterprises and small enterprises		32.49		12.26	
Total outstanding dues of creditors other than Micro enterprises and small enterprises		1,145.90		977.57	
(iii) Lease liabilities	55	47.51		39.46	
(iv) Other Financial Liabilities	24	8,187.18	12,775.53	14,077.00	23,056.20
(b) Other Current Liabilities	25		216.10		159.54
(c) Provisions	26		165.88		244.35
(d) Current Tax Liabilities (Net)	27		189.74		212.91
<b>Total Current Liabilities</b>			<b>13,347.25</b>		<b>23,673.00</b>
<b>Total Liabilities</b>			<b>41,979.90</b>		<b>44,336.99</b>
<b>Total Equity &amp; Liabilities</b>			<b>77,118.86</b>		<b>74,908.58</b>

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

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors



**Rupen K. Bhatt**  
Partner  
Membership Number: 046930  
Mumbai, June 01, 2021



**Ajay G. Piramal**  
Chairman  
London, May 13, 2021



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 13, 2021



**Bipin Singh**  
Company Secretary  
Mumbai, May 13, 2021

**PIRAMAL ENTERPRISES LIMITED**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2021**

	Note No.	Year Ended	
		March 31, 2021	March 31, 2020
		Rs. in Crores	Rs. in Crores
Revenue from operations	29	12,809.35	13,068.29
Other Income, (Net)	30	363.64	491.11
<b>Total Income</b>		<b>13,172.99</b>	<b>13,559.40</b>
<b>Expenses</b>			
Cost of materials consumed	31	1,412.20	1,377.19
Purchases of stock-in-trade	32	664.69	473.45
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	(155.30)	(173.82)
Employee benefits expense	34	1,650.47	1,610.20
Finance costs	35	4,208.53	5,320.62
Depreciation and amortization expense	3 & 55	560.88	520.30
Impairment on financial instruments (including commitments)	49 (f)	9.91	1,874.72
Other expenses, (Net)	36	1,763.13	1,639.18
<b>Total Expenses</b>		<b>10,114.51</b>	<b>12,641.84</b>
<b>Profit before share of net profit of associates and joint ventures, exceptional items and tax</b>		<b>3,058.48</b>	<b>917.56</b>
Share of net profit of associates and joint ventures	4 (a)	338.43	489.56
<b>Profit after share of net profit of associates and joint ventures before exceptional items and tax</b>		<b>3,396.91</b>	<b>1,407.12</b>
Exceptional Items	37	58.86	-
<b>Profit after share of net profit of associates and joint ventures and before tax</b>		<b>3,455.77</b>	<b>1,407.12</b>
Less: Income Tax Expense			
Current Tax (including tax expense of prior years)	52	377.79	355.81
Deferred Tax, Net	52	406.83	(152.97)
Tax adjustment of earlier years	52	1,258.29	1,757.59
		<b>2,042.91</b>	<b>1,960.43</b>
<b>Profit/ (Loss) from continuing operations after tax and share of profit of associates and joint ventures</b>		<b>1,412.86</b>	<b>3,506.63</b>
Profit / (loss) before tax from discontinued operations	56(a)	-	(131.74)
Gain on disposal of Healthcare Insights & Analytics group (net of transaction cost)	56(a)	-	757.48
Less: Tax expense on above	56(a)	-	51.29
<b>Profit from discontinued operations</b>		<b>-</b>	<b>574.45</b>
<b>Profit for the year</b>		<b>1,412.86</b>	<b>4,081.09</b>
<b>Other Comprehensive Income / (Expenses) (OCI):</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
(a) Changes in fair values of equity instruments through OCI	38	363.31	(1,359.46)
(b) Remeasurement of Post Employment Benefit plans	38	(3.69)	(4.20)
Less: Income Tax Impact on above	38 & 52	10.72	1.05
<b>B. Items that will not be reclassified to profit and loss</b>			
(a) Deferred gains / (losses) on cash flow hedge	38	23.31	(46.75)
(b) Deferred gains / (losses) on cash flow hedge of discontinued operations	38	-	3.92
(c) Exchange differences on translation of financial statements of foreign operations	38	(18.01)	372.97
(d) Exchange differences on translation of discontinued operation	38	-	115.83
(e) Gain on bargain purchase		7.43	-
Less: Income Tax Impact on above	38 & 52	3.78	(36.64)
<b>Other Comprehensive Income/(Expense)</b>		<b>386.85</b>	<b>(953.28)</b>
<b>Total Comprehensive Income for the year</b>		<b>1,799.71</b>	<b>3,127.81</b>
Profit for the year attributable to:			
- Owners of the Company		1,332.34	24.03
- Non-controlling interests		80.52	(2.89)
Other Comprehensive income / (expense) for the year attributable to:			
- Owners of the Company		376.79	(953.28)
- Non-controlling interests		10.06	-
Total Comprehensive income / (loss) for the year attributable to:			
- Owners of the Company		1,709.13	(929.25)
- Non-controlling interests		90.58	(2.89)
Total Comprehensive Income / (Loss) attributable to owners of Piramal Enterprises Limited:			
Continuing operations		1,709.13	(1,626.34)
Discontinued operations		-	697.09
Earnings per equity share (for continuing operation):	45		
Basic (in Rs.)		56.19	(26.25)
Diluted (in Rs.)		55.68	(26.25)
Earnings per equity share (for discontinued operation):	45		
Basic (in Rs.)		-	27.39
Diluted (in Rs.)		-	27.39
Earnings per equity share (for discontinued and continuing operation):	45		
Basic (in Rs.)		56.19	1.14
Diluted (in Rs.)		55.68	1.14

The above Consolidated 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



**Ajay G. Piramal**  
Chairman  
London, May 13, 2021



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 13, 2021



**Bipin Singh**  
Company Secretary  
Mumbai, May 13, 2021

**PIRAMAL ENTERPRISES LIMITED**

**Consolidated Cash Flow Statement for the year ended March 31, 2021**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>Rs. in Crores</b>	<b>Rs. in Crores</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before share of net profit of associates and joint ventures, exceptional items and tax from Continuing operations	3,058.48	917.56
Loss before tax from discontinued operations	-	(106.37)
Adjustments for :		
Depreciation and amortisation expense	560.88	659.04
Provision written back	(4.71)	(120.28)
Finance Costs attributable to other than financial services operations	142.67	766.24
Interest Income on Current Investments, Loans and bank deposits	(39.34)	(160.93)
Measurement of financial assets at FVTPL	69.43	126.86
Loss/ (Gain) on Sale of Property Plant and Equipment	1.89	(2.40)
Loss / (Profit) on Sale on Non - Current Investment	10.13	(6.01)
Gain on conversion of joint venture into subsidiary	(26.31)	-
Amortisation of grants & Other deferred income	(28.75)	(19.36)
Fair Value gain on Contingent Consideration	(162.08)	(8.38)
Write back of contingent and deferred consideration	-	(81.30)
Property, Plant & Equipment written off	3.43	-
Provision for Inventories	8.45	74.58
Impairment on financial instruments (including commitments)	9.91	1,874.72
Trade Receivables written off and Expected Credit Loss on Trade Receivables	9.48	9.82
Provision for Doubtful Advances	78.96	-
Unrealised foreign exchange loss	24.71	3.92
<b>Operating Profit Before Working Capital Changes</b>	<b>3,717.23</b>	<b>3,927.71</b>
<b>Adjustments For Changes In Working Capital :</b>		
Adjustments for (increase) / decrease in operating assets		
- Trade receivables	(238.57)	(159.02)
- Other Current Assets	20.78	(348.86)
- Other Non Current Assets	6.05	23.65
- Other Financial Assets - Non Current	66.15	(502.01)
- Other Financial Assets - Loans - Non Current	3,736.05	1,501.71
- Inventories (including development rights)	(231.24)	(304.42)
- Other Financial Assets - Current	(0.30)	178.76
- Other Financial Assets - Loans - Current	(845.47)	816.61
- Amounts realised from Debentures and Alternate Investment Funds (Net)	516.62	2,294.51
- Amounts invested in Mutual Funds	(2,139.29)	18.48
Adjustments for increase / (decrease) in operating liabilities		
- Trade Payables	183.95	171.26
- Non - Current provisions	(38.86)	10.05
- Other Current Financial Liabilities	9.32	79.68
- Other Current Liabilities	47.50	(42.20)
- Current provisions	(1.01)	(0.61)
- Other Non-current Financial Liabilities	4.30	(65.71)
- Other Non-current Liabilities	2.50	75.73
- Interest accrued	(391.36)	686.02
<b>Cash Generated from Operations</b>	<b>4,424.35</b>	<b>8,361.34</b>
- Taxes Paid (Net of Refunds)	(759.81)	(845.00)
<b>Net Cash Generated from Operating Activities *</b>	<b>3,664.54</b>	<b>7,516.34</b>
* includes interest received Rs. 4265.67 Crores (Previous year Rs. 7,327.11 Crores), Dividend Received Rs. 34.94 Crores (Previous year Rs. 17.25 Crores) and interest paid during the year Rs. 4,424 Crores (Previous year Rs. 4,104.64 Crores) pertaining to financial services operations.		
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Purchase of Property Plant and Equipment / Intangible Assets	(595.18)	(470.66)
Proceeds from Sale of Property Plant and Equipment / Intangible Assets	4.94	4.13
Payments for acquisition of Investment property (Refer Note 57)	(1,297.63)	-
Interest Received	36.55	157.43
Bank balances not considered as Cash and cash equivalents		
- Fixed deposits placed	(13,425.48)	(1,975.90)
- Matured	12,516.14	1,659.66
(Investment in)/ sale of investment held at FVTOCI	(600.29)	2,252.41
Proceeds from sale of investment in subsidiary (Net)	-	5,791.89
Sale of investment measured at FVTPL	-	7.80
Purchase of investment measured at FVTPL	(2.74)	(10.67)
Proceeds from sale of Associate	21.74	-
Dividend / redemption received from Associates / Joint Ventures	164.04	78.73
Investment in Associate / Joint Venture	(14.99)	(34.97)
Loan repaid by Joint Venture	7.75	4.55
Payment of Deferred consideration	-	(6.42)
Payment of Contingent consideration	-	(2.09)
Amount paid on acquisition of subsidiaries (Refer Note 58)	(197.39)	-
Receipt of deferred cash consideration	600.29	-
Proceeds of asset (held for sale)	10.00	-
Release of escrow deposit	-	12.80
<b>Net Cash (Used in)/ Generated from Investing Activities</b>	<b>(2,772.25)</b>	<b>7,468.69</b>

**PIRAMAL ENTERPRISES LIMITED**  
**Consolidated Cash Flow Statement for the year ended March 31, 2021**

	Year Ended March 31, 2021 Rs. in Crores	Year Ended March 31, 2020 Rs. in Crores
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**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Non - Current Borrowings [Excludes Exchange Fluctuation Gain of Rs. 57.39 Crores (Previous Year Loss Rs. 140.21 Crores) on reinstatement of Foreign Currency Loan]		
- Receipts	20,631.79	24,558.39
- Payments	(19,551.44)	(33,148.88)
Proceeds from Current Borrowings [Excludes Exchange Fluctuation Gain of Rs. 3.64 Crores (Previous Year Loss Rs. 15.09 Crores) on reinstatement of Foreign Currency Loan]		
- Receipts	21,068.14	67,752.23
- Payments	(22,745.02)	(75,739.41)
Lease payments		
- Principal	(52.03)	(87.72)
- Interest	(14.77)	(27.06)
Proceeds from Compulsorily Convertible Debentures Issue	-	1,749.99
Proceeds from Compulsorily Convertible Preference share Issue	75.00	-
Expenses incurred on conversion of Compulsorily Convertible Debentures	-	(3.82)
Expenses incurred on issue of Compulsorily Convertible Debentures	-	(5.45)
Coupon Payment on Compulsorily Convertible Debentures	(160.19)	(150.67)
Proceeds from Right Issue	-	3,480.95
Amount received towards issue of shares to NCI, net of transaction cost	3,146.59	-
Rights share issue expenses	-	(14.77)
Gains on forward contracts taken against the inflow from equity investment from Investors in Pharma segment	100.80	-
Finance Costs Paid (other than those attributable to financial services operations)	(111.54)	(714.38)
Dividend Paid	(315.75)	(556.73)
Dividend Distribution Tax Paid	-	(111.23)
<b>Net Cash Generated from / (Used in) Financing Activities</b>	<b>2,071.58</b>	<b>(13,018.56)</b>
<b>Net Increase in Cash &amp; Cash Equivalents [(A)+(B)+(C)]</b>	<b>2,963.87</b>	<b>1,966.47</b>
<b>Cash and Cash Equivalents as at April 1</b>	<b>2,611.58</b>	<b>623.24</b>
<b>Add: Effect of exchange fluctuation on cash and cash equivalents</b>	<b>(4.22)</b>	<b>21.87</b>
<b>Add: Cash balance acquired</b>	<b>10.42</b>	<b>-</b>
<b>Cash and Cash Equivalents as at March 31</b>	<b>5,581.65</b>	<b>2,611.58</b>
<b>Cash and Cash Equivalents Comprise of :</b>		
Cash on Hand	0.16	1,585.54
Balance with Scheduled Banks in Current Accounts	5,163.76	1,700.34
Fixed Deposit with original maturity of less than 3 months	555.09	1,055.06
Bank Overdraft	(137.36)	(1,729.36)
	<b>5,581.65</b>	<b>2,611.58</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

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



**Rupen K. Bhatt**  
Partner  
Membership Number: 046930  
Mumbai, June 01, 2021



**Ajay G. Piramal**  
Chairman  
London, May 13, 2021



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 13, 2021



**Bipin Singh**  
Company Secretary  
Mumbai, May 13, 2021

**PIRAMAL ENTERPRISES LIMITED**  
**Consolidated Statement of Changes in Equity for the Year ended March 31, 2021**

**A. Equity Share Capital (Refer Note 16):**

Particulars	Rs. in Crores
Balance as at April 1, 2019	36.89
Changes in Equity Share Capital during the year (Refer note 60 (a), 60 (b) and 61)	8.22
Balance as at March 31, 2020	45.11
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2021	45.11

**B. Other Equity (Excluding share application money pending allotment):**

Particulars	Attributable to the owners of Piramal Enterprises Limited										Non-controlling Interests			
	Equity Component of Convertible Debentures	Securities Premium	Capital Reserve	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Reserve Fund U/S 45-1C (1) of Reserve Bank of India Act, 1934	Reserve Fund U/S 29C of the NHB Act, 1987	Retained Earnings	Foreign Currency Translation Reserve		FVTOCI - Equity Instruments	FVTOCI - Debt Instruments	Cash Flow Hedging Reserve
<b>Balance as at April 1, 2019</b>	3,359.71	2,944.50	78.01	61.73	1,516.88	5,714.60	23.50	288.52	11,352.73	161.16	1,666.90	11.58	3.32	27,183.14
Profit/ (Loss) after tax for the year	-	-	-	-	-	-	-	-	24.03	325.41	-	-	(35.83)	24.03
Other Comprehensive Income/ (Expense), net of tax expense for the year	-	-	-	-	-	-	-	-	(3.15)	115.83	(1,359.46)	-	3.92	(1,073.03)
Add: Reclassification to profit & loss on disposal of discontinued operations (Refer note 56 (a))	-	-	-	-	-	-	-	-	18.06	-	-	-	-	119.75
On account of adoption of Ind AS 116 (Refer note 55)	-	-	-	-	-	-	-	-	-	-	-	-	-	18.06
Issue and conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note 60(b))	(1,832.36)	3,295.69	-	-	-	-	-	-	-	-	-	-	-	1,463.33
Rights Issue of Equity Shares (Refer Note 60(b))	-	3,475.65	-	-	-	-	-	-	615.70	-	(615.70)	-	-	3,475.65
Transfer on sale FVTOCI-Designated Instruments (Refer note 4)	-	(3.82)	-	-	-	-	-	-	-	-	-	-	-	(3.82)
Expenses incurred on conversion of Compulsorily Convertible Debentures	-	(14.77)	-	-	(694.35)	-	-	694.35	-	-	-	-	-	(14.77)
Transfer from Debt Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund U/S 45-1C (1) of Reserve Bank of India Act, 1934	-	-	-	17.75	-	-	17.75	-	-	-	-	-	-	-
Transfer to Reserve Fund U/S 29C of the NHB Act, 1987	-	-	-	-	-	-	6.10	(17.75)	-	-	-	-	-	-
Dividend Paid to Non-controlling Interest	-	-	-	-	-	-	-	5.36	(6.10)	-	-	-	-	5.36
Dividend Paid during the year	-	-	-	-	-	-	-	(586.77)	-	-	-	-	-	(586.77)
Dividend Distribution Tax thereon	-	-	-	-	-	-	-	(114.45)	-	-	-	-	-	(114.45)
<b>Balance as at March 31, 2020</b>	1,527.35	9,697.25	78.01	61.73	822.53	5,714.60	41.25	294.62	12,012.01	602.40	(308.26)	11.58	(28.59)	30,526.48

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Particulars	Attributable to the owners of Piramal Enterprises Limited										Non-controlling Interests			
	Equity Component of Convertible Debentures	Securities Premium	Capital Reserve	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Reserve Fund U/S 45-1C (1) of Reserve Bank of India Act, 1934	Reserve Fund U/S 29C of the NHB Act, 1987	Retained Earnings	Foreign Currency Translation Reserve		FVTOCI - Equity Instruments	FVTOCI - Debt Instruments	Cash Flow Hedging Reserve
<b>Balance as at April 1, 2020</b>	1,527.35	9,697.25	78.01	61.73	822.53	5,714.60	41.25	294.62	12,012.01	602.40	(308.26)	11.58	(28.59)	30,526.48
Issue of share to non-controlling interests by the subsidiary company	-	-	-	-	-	-	-	-	(831.19)	-	-	-	-	2,418.30
Profit/ (Loss) after tax for the year	-	3,249.49	-	-	-	-	-	-	1,332.34	-	-	-	-	1,332.34
Other Comprehensive Income/ (Expense), net of tax expense for the year	-	-	-	-	-	-	-	-	(2.93)	(18.27)	373.77	-	16.79	369.36
Gain on bargain purchase on acquisition of subsidiary (Refer Note 58(i))	-	-	7.43	-	-	-	-	-	-	-	-	-	-	269.24
Tax on transfer of pharma business to Piramal Pharma Limited	-	-	(66.81)	-	-	-	-	-	-	-	-	-	-	(66.81)
Transaction cost towards issue of shares to non-controlling interest	-	-	-	-	-	-	-	-	(298.50)	-	-	-	-	(298.50)
Transfer from Debt Redemption Reserve	-	-	-	-	(818.37)	-	-	-	818.37	-	-	-	-	-
Transfer to Reserve Fund U/S 45-1C (1) of Reserve Bank of India Act, 1934	-	-	-	99.43	-	-	99.43	-	(99.43)	-	-	-	-	-
Transfer to Reserve Fund U/S 29C of the NHB Act, 1987	-	-	-	-	-	-	206.89	(206.89)	-	-	-	-	-	-
Dividend Paid during the year	-	-	-	-	-	-	-	(315.75)	-	-	-	-	-	(315.75)
<b>Balance as at March 31, 2021</b>	1,527.35	12,946.74	18.63	61.73	4.16	5,714.60	140.68	501.51	12,408.03	584.13	65.51	11.58	(11.80)	33,972.63

**C. Share Application money pending allotment (Refer Note 17 & 61):**

Particulars	Rs. in Crores
Balance as at March 31, 2019	4.24
Movement during the year	(4.24)
Balance as at March 31, 2020	-
Movement during the year	-
Balance as at March 31, 2021	-

The above Consolidated Statement of Changes in Equity to be read in conjunction with 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



**Ajay G. Piramal**

Chairman

London, May 13, 2021



**Vivek Valsaraj**

Chief Financial Officer

Mumbai, May 13, 2021



**Bipin Singh**

Company Secretary

Mumbai, May 13, 2021

## PIRAMAL ENTERPRISES LIMITED

### Notes to the Consolidated financial statements for the year ended March 31, 2021

#### 1. GENERAL INFORMATION

Piramal Enterprises Limited (PEL) (including its subsidiaries) is one of India's large diversified companies, with a presence in Pharmaceuticals and Financial Services.

In Pharma, through end-to-end manufacturing capabilities across 13 global facilities and a large global distribution network to over 100 countries, PEL 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.

In Financial Services, Group provides comprehensive financing solutions to various companies. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance, and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals - Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). The Group has also launched Distressed Asset Investing platform that invests in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. The Group also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge (CDPQ). The Group has long term equity investments in Shriram Group, a leading financial conglomerate in India.

PEL is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. It is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

#### 2a. SIGNIFICANT ACCOUNTING POLICIES

##### i) Basis of preparation

###### Compliance with Ind AS

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

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

The Separate financial statements are presented in addition to the consolidated financial statements presented by the Group.

###### Historical Cost convention

The Consolidated financial statements have been prepared on the historical cost basis except for the following:

- a) certain financial instruments and contingent consideration - measured at fair value
- b) assets classified as held for sale - measured at fair value less cost to sell
- c) cash settled stock appreciation rights - measured at fair value
- d) plan assets of defined benefit plans, which are measured at fair value

##### ii) Principles of consolidation and equity accounting

###### a) Subsidiaries:

Subsidiaries are all entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

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

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

###### b) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see (d) below), after initially being recognised at cost. Wherever necessary, adjustments are made to financial statements of associates to bring there accounting policies in line with those used by the other members of group.



**c) Joint Arrangements:**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated balance sheet.

**d) Equity method:**

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

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy mentioned in Note 2a (vi) below.

**e) Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non controlling interests and any consideration paid or received is recognised within equity.

**iii) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

**PIRAMAL ENTERPRISES LIMITED****Notes to the Consolidated financial statements for the year ended March 31, 2021****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.
- 2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- 3) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- 4) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- 5) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.
- 6) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

**iv) (a) Property, Plant and Equipment**

Freehold Land is carried at historical cost. All other items of Property Plant & Equipments are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company & cost can be reliably measured.

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

**Depreciation**

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013 / estimated useful lives as determined by the management of respective subsidiaries based on technical evaluation. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The estimated useful lives of Property, Plant & Equipment are as stated below:

Asset Class	Useful life
Buildings*	3 years - 60 years
Roads	10 years
Plant & Equipment	3 - 20 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Motor Vehicles	4 - 8 years
Helicopter	20 years
Ships	13 years/28 Years
Furniture & fixtures	3 - 15 years

\*Useful life of leasehold improvements is as per lease period

**iv) (b) Non current assets held for sale**

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Noncurrent assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

(v) **Intangible Assets**

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

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

**Research**

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

**Development**

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

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

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

Asset Class	Useful life
Brands and Trademarks	5 - 25 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 25 years
Computer Software (including acquired database)	2 - 9 years
Customer relationships	8 - 14 years

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

Certain trademarks are assessed as Intangible Assets with indefinite useful lives.

(vi) **Goodwill**

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

Goodwill is carried at cost less accumulated impairment losses.

vii) **Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Cost of a investment property comprises its purchase price and any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss on disposal of an investment property is recognised in profit or loss.

## PIRAMAL ENTERPRISES LIMITED

### Notes to the Consolidated financial statements for the year ended March 31, 2021

#### viii) **Impairment of Assets**

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Consolidated Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

#### ix) **Financial instruments**

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

#### **Investments and Other Financial assets**

##### Classification:

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

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

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

For assets measured at fair value, gains and losses will 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 Group 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 Group reclassifies debt investments when and only when its business model for managing those assets changes.

##### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

##### **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 other comprehensive income (FVTOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

## PIRAMAL ENTERPRISES LIMITED

### Notes to the Consolidated financial statements for the year ended March 31, 2021

#### **Fair value through profit or loss (FVTPL):**

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

#### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated statement of profit and loss.

#### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, 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.

In case of other than trade receivables, the expected credit loss is a product of exposure at default, probability of default and loss given default. The company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Company also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

- 1) Significant negative deviation in the business plan of the borrower
- 2) Internal rating downgrade for the borrower or the project
- 3) Current and expected financial performance of the borrower
- 4) Need for refinance of loan due to change in cash flow of the project
- 5) Significant decrease in the value of collateral
- 6) Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure (including off Balance Sheet commitments), the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default Assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

#### Derecognition of financial assets

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

#### Foreign exchange gains and losses

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

**Financial liabilities and equity instruments**

Classification as debt or equity

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

Equity Instrument

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

Compulsorily Convertible Debenture

Convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Financial liabilities

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

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

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

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

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

Foreign exchange gains and losses

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

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities

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



**Derivatives and hedging activities**

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

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

(i) Cash flow hedges that qualify for hedge accounting:

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

(ii) Derivatives that are not designated as hedges:

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

Embedded derivatives

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

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

**Offsetting Financial Instruments**

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

x) **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.

xi) **Inventories**

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

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

xii) **Employee Benefits**

**(i) Short-term obligations**

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

**(ii) Other long-term employee benefit obligations**

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

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

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

**(iii) Post-employment obligations**

The Group operates the following post-employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme and other social security schemes in overseas jurisdictions
- Defined Benefit plans such as provident fund and Gratuity, Pension fund (in case of a subsidiary)

In case of Provident fund, contributions are made to a Trust administered by the Group, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

**Defined Contribution Plans**

The Group's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme and other social security schemes in overseas jurisdictions are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

In case of 401(k) contribution plan (in case of US subsidiaries), contribution by the Group is discretionary. Any contribution made is charged to the Statement of Profit and Loss.

**Defined Benefit Plan**

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

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

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

In case of an overseas subsidiary, where pension is classified as a Defined Benefit Scheme, assets are measured using market values and liabilities are measured using a Projected Unit Credit method and discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which benefits will be paid, and that have terms approximating to the terms of the related obligation. Shortfall, if any, is provided for in the financial statements.

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

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

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

xiii) **Provisions and Contingent Liabilities**

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

xiv) **Revenue recognition**

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

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

**Sale of Services:** In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. Advisory fees are accounted on an accrual basis in accordance with the Investment Management Agreement and Advisory Services Agreement.

In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Group recognises revenue on the basis of input method. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue/Advance from Customers) is recognised.

If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.

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

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

xv) **Foreign Currency Transactions**

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

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

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

Foreign currency differences arising from translation of intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR.

xvi) **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.

xvii) **Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

xviii) **Leases**

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition. The Company's lease asset classes primarily consist of leases for land, buildings and IT assets.

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

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

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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

xix) **Taxes on Income**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

xx) **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.

xxi) **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.

xxii) **Segment Reporting**

The Chairman has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs. Interest income and expense are not allocated to respective segments (except in case of Financial Services segment).

xxiii) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxiv) **Share appreciation rights**

Liabilities for the group's share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the balance sheet.

xxv) **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
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

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.

xxvi) **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 Division II, Schedule III, unless otherwise stated.

**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 loans, receivables, intangible assets, deferred tax assets and investments, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these Consolidated financial statements. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Group's best estimate of the recoverable amounts. As a result of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial statements and the Group will continue to monitor any changes to the future economic conditions. Also refer note 3, 10, 49 (a), 49 (f), 54.

**ii) Fair Valuation:**

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When Level 1 inputs are not available, the Group engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 55.

**iii) Impairment of Goodwill (Refer Note 41)**

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated. The recoverable amount is higher of the Value-in-Use and Fair Value Less Cost To Sell (FVLCTS). The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

**iv) Expected Credit Loss:**

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward-looking information.

The inputs used and process followed by the Group in determining the increase in credit risk have been detailed in Note 50 (f).

**v) Deferred Taxes**

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

**vi) Functional Currency (Refer Note 49(d))**

Functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate. The Group assesses the factors as per Ind AS 21 in determining the functional currency of the Company and its subsidiaries. If there is any change in underlying transactions, events and conditions in the Company or its subsidiary, the Group reassesses the functional currency.

**vii) Assessment of Significant influence (Refer Note 39 (d))**

Irrespective of the voting rights in an entity, if the Company has a right to appoint Directors or participates in all significant financial and operating decisions of an investee, there is an existence of significant influence and the investment is considered as an Associate.

**viii) Assessment of Joint control (Refer Note 39 (b))**

Irrespective of the voting rights in an entity, if a contractual arrangement requires unanimous consent from all the parties for the relevant activities and if there is a separation of the legal form of the structure, the arrangement is accounted as a Joint venture.

**ix) Impairment loss in investment property carried at cost:**

The Company conducts impairment reviews of investment property, 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 ENTERPRISES LIMITED  
Notes to the Consolidated financial statements for the year ended March 31, 2021

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT		
	Opening as at April 1, 2020	Additions	Deletions/ Adjustments	Exchange Difference	As at March 31, 2021 (A)	Opening as at April 1, 2020	For the Year #	Deletions / Adjustments	Exchange Difference	As at March 31, 2021 (B)	As at March 31, 2020
<b>Property, Plant &amp; Equipment</b>											
Land Freehold	105.22	18.38	(1.00)	5.49	128.09	0.40	-	0.05	0.69	127.40	104.82
Buildings	998.24	109.92	(15.11)	(3.65)	1,089.40	111.01	(6.64)	0.07	137.26	952.14	887.23
Roads	4.88	-	0.13	0.13	5.01	1.94	-	0.05	2.35	2.66	2.94
Plant & Equipment	2,183.47	474.11	(39.65)	3.86	2,621.79	821.33	(24.06)	(1.10)	1,037.94	1,583.85	1,362.14
Furniture & fixtures	74.55	5.03	(1.73)	0.02	77.87	33.76	(1.15)	0.24	42.59	35.28	40.79
Office Equipment	39.00	5.86	(3.19)	(0.01)	41.66	19.10	(2.03)	-	22.96	18.70	19.90
Ships	0.88	-	-	-	0.88	0.44	-	-	0.53	0.35	0.44
Helicopter ^	9.60	-	-	-	9.60	2.70	-	-	3.24	6.36	6.90
Motor Vehicles	12.09	0.01	(0.30)	0.06	11.86	4.35	(0.04)	0.02	5.74	6.12	7.74
<b>Total (I)</b>	<b>3,427.93</b>	<b>613.31</b>	<b>(60.95)</b>	<b>5.90</b>	<b>3,986.16</b>	<b>995.03</b>	<b>(33.92)</b>	<b>(0.67)</b>	<b>1,253.30</b>	<b>2,732.86</b>	<b>2,432.90</b>
<b>Intangible Assets (Acquired)</b>											
Customer relations*	131.24	-	-	(4.44)	126.80	34.65	-	(1.34)	44.11	82.69	96.59
Product-related Intangibles - Brands and Trademarks**	2,749.69	-	-	(77.65)	2,672.04	481.19	-	(13.70)	609.13	2,062.91	2,268.50
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights*	305.31	3.16	-	(8.43)	300.04	90.02	-	(1.92)	105.62	194.42	215.29
Computer Software (Including acquired database)	70.83	62.67	(3.09)	0.07	130.48	44.77	(3.09)	0.25	59.44	71.04	26.06
Product Know-how	64.62	72.36	(2.32)	5.27	139.93	9.21	(1.04)	1.03	28.80	111.13	55.41
<b>Total (II)</b>	<b>3,321.69</b>	<b>138.19</b>	<b>(5.41)</b>	<b>(85.18)</b>	<b>3,369.29</b>	<b>659.84</b>	<b>(4.13)</b>	<b>(15.68)</b>	<b>847.10</b>	<b>2,522.19</b>	<b>2,661.85</b>
<b>Grand Total (I + II)</b>	<b>6,749.62</b>	<b>751.50</b>	<b>(66.39)</b>	<b>(79.28)</b>	<b>7,355.45</b>	<b>1,654.87</b>	<b>(38.05)</b>	<b>(16.35)</b>	<b>2,100.40</b>	<b>5,255.05</b>	<b>5,094.75</b>

\* Material Intangible Assets as on March 31, 2021

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Asset Class	Asset Description	Carrying Value as at March 31, 2021	Carrying Value as at March 31, 2020	Remaining useful life as on March 31, 2020
Product-related Intangibles - Brands and Trademarks	Brands and Trademarks	293.46	325.27	3 years to 12 years
Product-related Intangibles - Brands and Trademarks	Purchased Brands	1,738.77	1,901.18	17 to 22 years
Customer Relations	Purchased Brands	47.52	57.41	7 years
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	Purchased Brands	169.68	198.26	7 years

# Depreciation for the year includes depreciation amounting to Rs. 8.38 Crores (Previous Year Rs. 9.23 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.

^ The Company has a 25% share in joint ownership of Helicopter

Considering internal and external sources of information, the Group has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Group has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider (a) reassessment of the discount rates, (b) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis.

The carrying amount of the intangible assets represent the Group's best estimate of the recoverable amounts.

Refer Note 28 B for the contractual capital commitments for purchase of Property, Plant & Equipment

Refer Note 44 for the assets mortgaged as security against borrowings

^ Additions include additions through business combination

Additions	Amount	(Rs)	in
<b>Property, Plant &amp; Equipment</b>			
Land Freehold	18.38		
Buildings	99.45		
Plant & Equipment	166.62		
Furniture & fixtures	0.57		
Office Equipment	0.33		
<b>Intangible Assets (Acquired)</b>	<b>285.35</b>		
Computer Software	10.16		
<b>Total</b>	<b>295.51</b>		

PIRAMAL ENTERPRISES LIMITED  
Notes to the Consolidated Financial Statements for the year ended March 31, 2021  
3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS (Continued)

Particulars	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT		
	Opening as at April 1, 2019	Addition	Deletions/ Adjustments	Exchange Difference	As at March 31, 2020 (A)	Opening as at April 1, 2019	For the Year #	Deletions / Adjustments	Exchange Difference	As at March 31, 2020 (B)	As at March 31, 2020 (A-B)	As at March 31, 2019
<b>Property, Plant &amp; Equipment</b>												
Land Freehold	102.64	-	0.43	3.01	105.22	0.16	0.24	-	-	0.40	104.82	102.48
Buildings	977.36	31.20	24.96	14.64	998.24	83.69	39.05	13.72	1.99	111.01	887.23	893.67
Roads	4.84	-	1.44	0.04	4.88	1.51	0.41	-	0.02	1.94	2.94	3.33
Plant & Equipment	1,911.21	228.62	39.96	83.60	2,183.47	592.44	221.40	28.10	35.59	821.33	1,362.14	1,318.77
Furniture & fixtures	80.43	8.26	16.26	2.12	74.55	25.52	12.39	4.60	0.45	33.76	40.79	54.91
Office Equipment	43.06	5.47	9.75	0.22	39.00	15.34	10.07	6.58	0.27	19.10	19.90	27.72
Ships	0.88	-	-	-	0.88	0.35	0.09	-	-	0.44	0.44	0.53
Helicopter ^	9.60	-	-	-	9.60	2.16	0.54	-	-	2.70	6.90	7.44
Motor Vehicles	12.11	0.19	-	0.05	12.09	3.30	1.51	0.45	(0.01)	4.35	7.74	8.81
<b>Total (I)</b>	<b>3,142.13</b>	<b>273.74</b>	<b>91.62</b>	<b>103.68</b>	<b>3,427.93</b>	<b>724.47</b>	<b>285.70</b>	<b>53.45</b>	<b>36.31</b>	<b>995.03</b>	<b>2,432.90</b>	<b>2,417.66</b>
<b>Intangible Assets (Acquired)</b>												
Customer relations*	220.87	-	103.46	13.83	131.24	74.69	20.59	64.70	4.07	34.65	96.59	146.18
Favourable lease	1.41	-	1.44	0.03	-	0.99	0.21	1.24	0.04	-	-	0.42
Product-related Intangibles - Brands and Trademarks*+ Intellectual property rights*	2,592.58	-	41.53	198.64	2,749.69	326.79	132.06	5.79	28.13	481.19	2,268.50	2,265.79
Product-related Intangibles - Copyrights, Knowhow and Computer Software (Including acquired database)	276.96	4.79	-	23.56	305.31	58.13	25.76	-	6.13	90.02	215.29	218.83
Product Know-how	429.47	113.45	483.03	10.94	70.83	235.19	88.97	284.39	5.00	44.77	26.06	194.28
Product Know-how	16.91	44.34	-	3.37	64.62	2.55	6.18	-	0.48	9.21	55.41	14.36
<b>Total (II)</b>	<b>3,538.20</b>	<b>162.58</b>	<b>629.46</b>	<b>250.37</b>	<b>3,321.69</b>	<b>698.34</b>	<b>273.77</b>	<b>356.12</b>	<b>43.85</b>	<b>659.84</b>	<b>2,661.85</b>	<b>2,839.86</b>
<b>Grand Total (I + II)</b>	<b>6,680.33</b>	<b>436.32</b>	<b>721.08</b>	<b>354.05</b>	<b>6,749.62</b>	<b>1,422.81</b>	<b>559.47</b>	<b>409.57</b>	<b>82.16</b>	<b>1,654.87</b>	<b>5,094.75</b>	<b>5,257.52</b>

Material Intangible Assets as on March 31, 2020

Asset Class	Asset Description	Carrying Value as at March 31, 2020	Carrying Value as at March 31, 2019	Remaining useful life as on March 31, 2020
Product-related Intangibles - Brands and Trademarks	Brands and trademarks	325.27	356.89	4 years to 13 years
Product-related Intangibles - Brands and Trademarks	Purchased Brands	1,901.18	1,830.89	18-23 years
Customer Relations	Purchased Brands	57.41	59.91	8 years
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	Purchased Brands	198.26	156.57	8 years

\* Depreciation for the year includes depreciation amounting to Rs. 9.23 Crores (Previous Year Rs. 9.81 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.  
^ The Company has a 25% share in joint ownership of Helicopter

Considering internal and external sources of information, the Group has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Group has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider (a) an increase in economic uncertainties due to Covid 19, (b) reassessment of the discount rates, (c) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis.

The carrying amount of the intangible assets represent the Group's best estimate of the recoverable amounts.

Refer Note 28 B for the contractual capital commitments for purchase of Property, Plant & Equipment

Refer Note 44 for the assets mortgaged as security against borrowings

For disposal of assets refer Note 56(a) and 56(b)

4 (a) Investments accounted for using the equity method

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	(Rs. in crores)	Quantity	(in Rs. crores)
<b>Investments in Equity Instruments:</b>				
<b>A. In Joint Ventures (Unquoted) - At Cost:</b>				
i. Convergence Chemicals Private Limited				
Interest as at April 1	3,57,05,100	37.53	3,57,05,100	30.39
Add - Share of profit for the year		14.62		7.14
Less - Share of unrealised profit on closing stock		(10.70)		*
Add - Share of other comprehensive income for the year		*		*
Less - De-recognised on conversion into subsidiary (Refer note 58(ii))		(41.45)		
		<u>-</u>		<u>37.53</u>
ii. Shrelekha Business Consultancy Private Limited				
Interest as at April 1	6,22,34,605	3,461.34	6,22,34,605	3,148.74
Add - Share of profit for the year		239.16		391.33
Less - Dividend received		-		(78.73)
		<u>3,700.50</u>		<u>3,461.34</u>
iii. India Resurgence ARC Private Limited				
Interest as at April 1	5,40,00,000	51.36	5,10,00,000	50.71
Add - Investment during the year		-	30,00,000	3.00
Add - Share of profit / (loss) for the year		0.67		(2.35)
		<u>52.03</u>		<u>51.36</u>
iv. India Resurgence Asset Management Business Private Limited				
Interest as at April 1	2,00,00,000	5.00	1,50,00,000	-
Add - Investment during the year		-	50,00,000	5.00
Add - Share of profit for the year		-		-
		<u>5.00</u>		<u>5.00</u>
v. Piramal Ivanhoe Residential Equity Fund 1				
Interest as at April 1	11,52,880	139.82	12,20,708	122.60
Less: Addition/ (Redemption) during the year		-	(67,828)	(6.79)
Add - Share of profit for the year		3.05		24.01
		<u>142.87</u>		<u>139.82</u>
vi. India Resurgence Fund Scheme II				
Interest as at April 1	1,87,20,819	193.75	1,58,07,476	158.71
Add - Investment / (Redemption) during the year	(17,02,258)	(17.03)	29,13,343	29.13
Add - Share of profit for the year		48.36		13.14
Less - Dividend received		(20.76)		(7.23)
		<u>204.32</u>		<u>193.75</u>
vii. India Resurgence ARC Trust I				
Interest as at April 1	5,39,500	53.95		-
Add - Investment during the year	(52,649)	(5.26)	5,39,500	53.95
Add - Share of profit for the year		-		-
		<u>48.69</u>		<u>53.95</u>
viii. Asset Resurgence Mauritius Manager				
Interest as at April 1	95,445	5.11		-
Add - Investment during the year		-	95,445	0.62
Add - Share of (loss) / profit for the year		(2.13)		4.49
		<u>2.98</u>		<u>5.11</u>
ix. Piramal Structured Credit Opportunities Fund				
Interest as at April 1	3,579	36.01		-
Add - Investment during the year	1,022	14.91	3,579	36.01
Add - Share of profit for the year		5.56		-
Less - Dividend received		(5.70)		-
		<u>50.78</u>		<u>36.01</u>
<b>Total (A)</b>		<b>4,207.17</b>		<b>3,983.87</b>
<b>B. In Associates :</b>				
<b>Unquoted - At Cost:</b>				
i. Allergan India Private Limited				
Interest as at April 1	39,20,000	194.37	39,20,000	142.57
Add - Share of profit for the year		39.84		51.80
Add - Share of other comprehensive income for the year		*		*
Less - Dividend received		(124.54)		-
		<u>109.67</u>		<u>194.37</u>
ii. Shriram Capital Limited				
Interest as at April 1	1,000	0.01	1,000	0.01
		<u>0.01</u>		<u>0.01</u>
iii. Bluebird Aero Systems Limited				
Interest as at April 1	67,137	39.99	67,137	39.99
Add - Share of profit for the year		*		*
Add - Currency translation differences		*		*
Less - Disposed during the year		(39.99)		*
		<u>-</u>		<u>39.99</u>
<b>Total (B)</b>		<b>109.68</b>		<b>234.37</b>
<b>Total equity accounted investments (A+B)</b>		<b>4,316.85</b>		<b>4,218.24</b>

Aggregate amount of impairment in value of investments

## 4 (b) Investments

## Non-Current Investments:

Particulars	As at March 31, 2021	As at March 31, 2020
	(Rs. in crores)	(Rs. in crores)
<b>Investments in Equity Instruments (fully paid-up)</b>		
<b>Other Bodies Corporate</b>		
Quoted - At FVTOCI:	1,456.07	492.47
	<b>1,456.07</b>	<b>492.47</b>
Unquoted - At FVTPL:	13.00	11.81
	<b>13.00</b>	<b>11.81</b>
<b>Investment in Debentures:</b>		
<b>Other Bodies Corporate :</b>		
<b>Quoted:</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost:	518.11	722.55
Redeemable Non-Convertible Debentures - At FVTPL	2,057.69	1,975.83
<b>Unquoted:</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost:	7,793.16	9,451.05
Less: Provision for Impairment based on Expected credit loss model	764.71	894.09
	<b>9,604.25</b>	<b>11,255.34</b>
<b>Investments in Alternative Investment Funds/Venture Capital Funds</b>		
In Others (Unquoted) - At FVTPL:	3,077.00	514.54
	<b>3,077.00</b>	<b>514.54</b>
<b>Total Non Current Investments</b>	<b>14,150.32</b>	<b>12,274.16</b>

\* below rounding off norms adopted by the Group

**PIRAMAL ENTERPRISES LIMITED**

Notes to the Consolidated financial statements for the year ended March 31, 2021

**4 (b). Current Investments:**

Particulars	As at March 31, 2021	As at March 31, 2020
	(Rs. in crores)	(Rs. in crores)
<b>Investment in Debentures:</b>		
<b>A. In Other Bodies Corporate</b>		
<b>Quoted :</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost:	-	446.10
Redeemable Non-Convertible Debentures - At FVTPL:	554.60	650.37
	<b>554.60</b>	<b>1,096.47</b>
<b>Unquoted:</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost	846.55	1,897.81
Less: Provision for Impairment based on Expected credit loss model	38.61	101.81
	<b>807.94</b>	<b>1,796.00</b>
<b>Investment in Mutual Funds (Quoted) - At FVTPL:</b>	2,155.20	6.68
	<b>2,155.20</b>	<b>6.68</b>
<b>Investments in Alternative Investment Funds/Venture Capital Funds - At FVTPL:</b>	44.35	51.24
	<b>44.35</b>	<b>51.24</b>
<b>Total Current Investments</b>	<b>3,562.09</b>	<b>2,950.39</b>

**Aggregate market value / carrying value of quoted investments**

- Non-Current	4,031.87	3,190.85
- Current	2,709.80	1,103.15

**Aggregate gross carrying value of unquoted investments**

- Non-Current	10,870.16	9,977.40
- Current	890.90	1,949.05

**Aggregate amount of provision for impairment in value of investments**

	803.32	995.90
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Refer Note 44 for Investments mortgaged as security against borrowings.

**Details of Total Investments:**
**(i) Financial assets carried at fair value through profit or loss (FVTPL)**

Mandatorily measured at FVTPL

Equity Instruments - Equity Shares	13.00	11.81
Mutual Funds	2,155.20	6.68
Debentures	2,612.29	2,626.20
Alternative Investment Fund / Venture Capital Funds	3,121.35	565.78
	<b>7,901.84</b>	<b>3,210.47</b>

**(ii) Financial assets carried at amortised cost**

Debentures

	8,354.50	11,521.61
	<b>8,354.50</b>	<b>11,521.61</b>

**(iii) Financial assets measured at FVTOCI**

Equity instruments - Equity Shares

	1,456.07	492.47
	<b>1,456.07</b>	<b>492.47</b>

**Total**

	<b>17,712.41</b>	<b>15,224.55</b>
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**PIRAMAL ENTERPRISES LIMITED**

Notes to the Consolidated financial statements for the year ended March 31, 2021

	As at		As at	
	March 31, 2021		March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>5. LOANS - NON-CURRENT</b>				
<b>LOANS (SECURED AND CONSIDERED GOOD) - AT AMORTISED COST</b>				
Term Loans (Refer Note 44)	24,494.99		30,758.83	
Less: Provision for expected credit loss	(614.18)		(965.74)	
		23,880.81		29,793.09
<b>LOANS (SECURED AND CREDIT IMPAIRED) - AT AMORTISED COST</b>				
Inter Corporate Deposits (Refer Note 44)	92.78		92.78	
Less: Provision for expected credit loss	(50.00)		(50.27)	
		42.78		42.51
<b>LOANS (SECURED AND CONSIDERED GOOD) - AT FVTPL</b>				
Term Loans	1,511.42		579.14	
		1,511.42		579.14
<b>LOANS (SECURED AND CREDIT IMPAIRED) - AT AMORTISED COST</b>				
Term Loans	1,401.74		596.21	
Less: Provision for expected credit loss	(709.52)		(219.62)	
		692.22		376.59
<b>LOANS (UNSECURED AND CONSIDERED GOOD) - AT AMORTISED COST</b>				
Term Loans	31.48		-	
Less: Provision for expected credit loss	(11.29)		-	
		20.19		-
<b>LOANS (SECURED AND SIGNIFICANT INCREASE IN CREDIT RISK) - AT AMORTISED COST</b>				
Term Loans	1,500.77		646.81	
Less: Provision for expected credit loss	(263.93)		(178.45)	
		1,236.84		468.36
<b>LOANS (UNSECURED AND CONSIDERED GOOD) - AT AMORTISED COST</b>				
Loans to related parties (Refer Note 43)	-		-	22.37
Loans to Employees	3.41	3.41		22.42
<b>TOTAL</b>		<b>27,387.67</b>		<b>31,304.48</b>

<b>6. OTHER FINANCIAL ASSETS - NON-CURRENT</b>				
Bank deposits with more than 12 months maturity		35.93		-
Unbilled revenue #		58.18		64.99
Security Deposits		425.41		484.56
<b>TOTAL</b>		<b>519.52</b>		<b>549.55</b>

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

<b>7. DEFERRED TAX ASSETS (NET)</b>				
<b>(a) Deferred Tax Assets on account of temporary differences</b>				
- Measurement of financial assets at amortised cost / fair value	105.38		84.46	
- Provision for expected credit loss on financial assets (including commitments)	704.89		739.25	
- Other Provisions	11.32		5.22	
- Unused Tax Credit/losses	221.05		460.05	
- Amortisation of expenses which are allowed in current year	0.19		0.23	
- Expenses that are allowed on payment basis	26.49		47.42	
- Recognition of lease rent expense	1.35		1.31	
- Unrealised profit margin on inventory	29.41		22.92	
- Deferred Revenue	35.68		59.02	
- Goodwill on Merger of wholly owned subsidiaries (Refer Note 39 (a))	-		1,258.29	
- Fair value measurement of derivative contracts	-		4.45	
- Other temporary differences	17.99		6.36	
		<b>1,153.75</b>		<b>2,688.98</b>
<b>(b) Deferred Tax Liabilities on account of temporary differences</b>				
- Property, Plant and Equipment and Intangible assets	12.32		172.97	
- Measurement of financial liabilities at amortised cost	161.83		87.09	
- Unamortised processing fees	38.88		56.34	
- Fair value measurement of derivative contracts	0.16		-	
- Other temporary differences	3.32		0.26	
		<b>216.51</b>		<b>316.66</b>
<b>TOTAL (a-b)</b>		<b>937.24</b>		<b>2,372.32</b>

Deferred Tax Assets and Deferred Tax Liabilities of the respective entities have been offset as they relate to the same governing taxation laws. Refer Note 52 for movements during the year.

<b>8. OTHER NON - CURRENT ASSETS</b>				
Advance Tax [Net of Provision of Rs. 6,467.64 Crores at March 31, 2021 (Previous year Rs. 6,162.76 Crores)]		1,369.30		1,077.55
Advances recoverable		48.58		50.73
Unamortized distribution fees		7.79		13.25
Prepayments		0.07		-
Capital Advances		17.91		2.64
Pension Assets (Refer Note 42)		0.17		-
<b>TOTAL</b>		<b>1,443.82</b>		<b>1,144.17</b>



**PIRAMAL ENTERPRISES LIMITED**
**Notes to the Consolidated financial statements for the year ended March 31, 2021**

	As at		As at	
	March 31, 2021		March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>9. INVENTORIES</b>				
Raw and Packing Materials [includes in Transit of Rs. Nil as on March 31, 2021, (Previous year Rs.3.50 Crores)]		463.25		394.10
Work-in-Progress		325.82		326.61
Finished Goods		155.80		89.97
Stock-in-trade [includes in Transit of Rs. 3.84 Crores as on March 31, 2021, (Previous year Rs. Nil Crores)]		274.93		184.69
Stores and Spares		79.43		65.80
<b>TOTAL</b>		<b>1,299.23</b>		<b>1,061.17</b>

1. Refer Note 44 for the inventories hypothecated as security against borrowings.
2. The cost of inventories recognised as an expense during the year was Rs. 2,015.84 crores (Previous year Rs. 1,756.40 Crores).
3. The cost of inventories recognised as an expense includes a reversal of Rs. 19.57 Crores (Previous year expense of Rs. 3.31 Crores) in respect of write downs of inventory to net realisable value and a charge of Rs. 28.02 crores (Previous year Rs. 76.31 Crores) in respect of provisions for slow moving/ non moving/ expired/ near expiry products.
4. Refer Note 2(a)(xi) for policy for valuation of inventories.

<b>10. TRADE RECEIVABLES</b>				
i. Outstanding for a period exceeding 6 months from the date they are due for payment				
Secured - Considered Good		0.18		0.18
Unsecured - Considered Good		1,551.50		1,332.88
Unsecured - Considered Doubtful		48.48		37.77
Less: Expected Credit Loss on Trade Receivables		(55.43)		(46.44)
			1,544.73	1,324.39
<b>TOTAL</b>			<b>1,544.73</b>	<b>1,324.39</b>

In the Pharmaceuticals Manufacturing and Services business, the credit period on sale of goods ranges from 7 to 150 days.

The Group has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), the group performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

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

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

<b>Ageing</b>	<b>Rs. in crores</b>	
	<b>Expected credit loss</b>	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Within due date	5.36	3.99
After Due date	50.07	42.45

<b>Ageing of receivables</b>	<b>Rs. in crores</b>	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Less than 365 days	1534.58	1,328.38
More than 365 days	65.57	42.45
<b>Total</b>	<b>1,600.15</b>	<b>1,370.83</b>

If the trade receivables (discounted) are not paid at maturity, the bank has right to request the Group to pay the unsettled balance. As the Group has not transferred the risks and rewards relating to these customers, it continues to recognize the full carrying amount of the receivables and has recognized the cash received on the transfer as a secured borrowing (Refer Note 23).

At the end of the reporting period, the carrying amount of the trade receivables that have been transferred but have not been de-recognized amounted to Rs. Nil Crores (Previous year Rs. 33.55 Crores) and the carrying value of associated liability is Rs. Nil Crores (Previous year Rs. 33.55 Crores) (Refer Note 23).

**PIRAMAL ENTERPRISES LIMITED**
**Notes to the Consolidated financial statements for the year ended March 31, 2021**
**Movement in Expected Credit Loss Allowance:**
**(Rs. in crores)**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	46.44	56.25
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	9.47	6.04
Less: Bad debts written off	-	(9.24)
Less: Amount derecognised on disposal of subsidiary (Refer Notes 37 and 56 (b))	-	(7.12)
Add: Effect of translation differences	(0.48)	0.51
Balance at the end of the year	<b>55.43</b>	<b>46.44</b>

Refer Note 44 for the receivables hypothecated as security against borrowings.

	As at		As at	
	March 31, 2021		March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>11. CASH AND CASH EQUIVALENTS</b>				
i. Balance with Banks				
- Current Account	5,163.76		1,700.34	
- Deposit Account (less than 3 months original maturity)	555.09		1,055.06	
		5,718.85		2,755.40
ii. Cheques on Hand		-		1,585.42
iii. Cash on Hand		0.16		0.12
<b>TOTAL</b>		<b>5,719.01</b>		<b>4,340.94</b>

<b>12. OTHER BANK BALANCES</b>				
i. Earmarked balances with banks				
- Unclaimed Dividend Account	20.68		21.68	
- Others (Refer note below)	500.65		13.15	
		521.33		34.83
ii. Margin Money		8.08		0.25
iii. Deposit Account (more than 3 months original maturity but less than 12 months)		776.30		395.10
<b>TOTAL</b>		<b>1,305.71</b>		<b>430.18</b>

<b>13. LOANS - CURRENT</b>				
<b>Loans Secured and Considered Good - at amortised cost:</b>				
Term Loans	4,449.62		3,992.30	
Less: Allowance for expected credit loss	(209.93)		(328.14)	
		4,239.69		3,664.16
<b>Loans (Secured and Considered Good) - AT FVTPL</b>				
Term Loans	39.97	39.97	310.75	310.75
<b>Loans (Unsecured and considered good) - At Amortised Cost</b>				
Term Loans	742.25		-	
Less: Provision for expected credit loss	(24.50)		-	
		717.75		-
<b>Inter Corporate Deposits Receivables (Unsecured and Considered Good)- At Amortised Cost</b>		6.84		18.69
<b>Loans to Related Parties Unsecured and Considered Good- At Amortised Cost (Refer Note 43)</b>		-		2.12
<b>Loans (Secured and Significant Increase in credit risk) - At Amortised Cost</b>				
Term Loans	56.32		117.68	
Less: Provision for expected credit loss	(14.96)		(37.61)	
		41.36		80.07
<b>Inter Corporate Deposits Unsecured- Credit Impaired</b>				
Inter Corporate Deposits	8.30		8.30	
Less: Allowance for expected credit loss	(8.30)		(8.30)	
		-		-
<b>TOTAL</b>		<b>5,045.61</b>		<b>4,075.79</b>

**PIRAMAL ENTERPRISES LIMITED**
**Notes to the Consolidated financial statements for the year ended March 31, 2021**

	As at		As at	
	March 31, 2021		March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>14. OTHER FINANCIAL ASSETS - CURRENT</b>				
Security Deposits		416.98		521.56
Advances recoverable		0.19		0.02
Guarantee Commission receivable (Refer Note 43)		-		-
Derivative Financial Assets		17.07		17.84
Contingent consideration (Refer Note 56 (a))		0.08		454.66
Other Receivable from related parties (Refer Note 43)		3.26		-
Unbilled revenues#		34.26		24.85
Restricted Deposit - Escrow Account (Refer note below)		-		7.57
Interest Accrued		8.46		5.66
Others		125.69		86.07
<b>TOTAL</b>		<b>605.99</b>		<b>1,118.23</b>

# Classified as financial asset as right to consideration is unconditional upon passage of time. During the year ended March 31, 2021, Rs. 24.85 Crores (Previous year: INR 11.50 Crores) of unbilled revenue as on March 31, 2020 has been reclassified to Trade Receivables upon billing to customers.

<b>15. OTHER CURRENT ASSETS</b>				
<b>Unsecured and Considered Good (Unless otherwise stated)</b>				
<b>Advances :</b>				
Unsecured and Considered Good	144.40		137.03	
Considered Doubtful	1.46		0.08	
	145.86		137.11	
Less : Provision for Doubtful Advances	(1.46)		(0.08)	
		144.40		137.03
Prepayments		80.31		111.70
Unamortized distribution fees		168.34		155.33
Balance with Government Authorities		387.66		384.42
Claims Receivable		4.34		13.51
<b>TOTAL</b>		<b>785.05</b>		<b>801.99</b>

**PIRAMAL ENTERPRISES LIMITED**
**Notes to the Consolidated financial statements for the year ended March 31, 2021**

16. SHARE CAPITAL	As at		As at	
	March 31, 2021		March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>Authorised Share Capital</b>				
400,000,000 (400,000,000) Equity Shares of Rs. 2/- each		80.00		80.00
3,000,000 (3,000,000) Preference Shares of Rs. 100/- each		30.00		30.00
24,000,000 (24,000,000) Preference Shares of Rs. 10/- each		24.00		24.00
105,000,000 (105,000,000) Unclassified Shares of Rs. 2/- each		21.00		21.00
		<b>155.00</b>		<b>155.00</b>
<b>Issued Capital</b>				
226,138,301 (226,138,301) Equity Shares of Rs. 2/- each		45.23		45.23
		<b>45.23</b>		<b>45.23</b>
<b>Subscribed and paid up</b>				
225,538,356 (225,538,356) Equity Shares of Rs. 2/- each (fully paid up)		45.11		45.11
<b>TOTAL</b>		<b>45.11</b>		<b>45.11</b>

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
At the beginning of the year	22,55,38,356	45.11	18,44,46,972	36.89
Add: Issued during the year (Refer Note 60 (a), 60(b) & 61)	-	-	4,10,91,384	8.22
<b>At the end of the year</b>	<b>22,55,38,356</b>	<b>45.11</b>	<b>22,55,38,356</b>	<b>45.11</b>

There are no equity shares due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% Holding	No. of shares	% Holding
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal	7,88,77,580	34.97%	7,88,77,580	34.97%
Life Insurance Corporation of India	1,86,82,087	8.28%	1,79,89,691	7.98%

**(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
Equity Shares of Rs. 2 each allotted as fully paid-up pursuant to merger of Piramal Phytocare Limited into the Company (Refer Note 61)	2019-20	3,05,865

**(iv) Terms and Rights attached to equity shares**
**Equity Shares:**

The Company has one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed 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.

17. OTHER EQUITY	As at		As at	
	March 31, 2021		March 31, 2020	
	Rs. in Crores		Rs. in Crores	
Capital Reserve		18.63		78.01
Securities Premium		12,946.74		9,697.25
Equity component of Compulsorily Convertible Debentures		1,527.35		1,527.35
Capital Redemption Reserve		61.73		61.73
Debenture Redemption Reserve		4.16		822.53
General Reserve		5,714.60		5,714.60
Foreign Currency Translation Reserve		584.13		602.40
Reserve Fund U/S 45-1C (1) of Reserve Bank of India Act, 1934		140.68		41.25
Reserve Fund u/s 29C of the NHB Act, 1987		501.51		294.62
FVTOCI - Equity Instruments		65.51		(308.26)
FVTOCI - Debt Instruments		11.58		11.58
Cash Flow Hedging Reserve		(11.80)		(28.59)
Retained Earnings		12,408.03		12,012.01
<b>TOTAL</b>		<b>33,972.85</b>		<b>30,526.48</b>

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to the Consolidated financial statements for the year ended March 31, 2021**

**Capital Reserve**

This reserve is outcome of business combinations carried out during the current year and previous years

**Securities Premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**Equity component of Compulsorily Convertible Debentures**

This is the equity component of the issued Compulsorily Convertible Debentures. The liability component is reflected in financial liabilities. (Refer note 18: Non-current borrowings and 24: Other financial liabilities (included in current maturities of long-term debt)).  
 For terms of issue in relation to Compulsorily Convertible Debentures issued during the previous year, refer note 18.

**Capital Redemption Reserve**

This reserve was created as per requirements of Companies Act pursuant to buyback of equity shares and redemption of preference shares.

**Debenture Redemption Reserve**

The Debenture redemption reserve is created as per the requirements of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014.  
 Debenture redemption reserve has not been created in respect of subsidiary which has privately placed debentures in accordance with the Companies (Share Capital and Debentures) Rules, 2014.

**General Reserve**

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Foreign Currency Translation Reserve**

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

**Reserve Fund u/s 45-IC (1) of Reserve Bank of India Act, 1934**

Reserve Fund is required to be maintained u/s 45-IC(1) of the Reserve Bank of India Act, 1934 for Non Banking Financial Companies. During the year ended March 31, 2021, the Group has transferred an amount of Rs. 99.43 Crores (Previous year Rs. 17.75 Crores), being 20% of profit after tax computed in accordance with IND AS.

**Reserve Fund u/s 29C of the NHB Act, 1987**

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended March 31 2021, the Company has transferred an amount of Rs. 206.89 Crores (Previous year Rs. 6.1 Crores), being 20% of profit after tax.

**FVTOCI - Equity Instruments**

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**FVTOCI - Debt Instruments**

The Group has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. These changes are accumulated within the FVTOCI debt investments reserve within equity. The Group transfers amounts from this reserve to Consolidated statement of profit & loss when the relevant debt securities are derecognised.

**Cash Flow Hedging Reserve**

The Group uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to Consolidated 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 49(e)).

On Aug 4, 2020, a Dividend of Rs. 14 per equity share (total dividend of Rs 315.75 Crores) was paid to holders of fully paid equity shares. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT) hence DDT is not applicable.

On May 13, 2021, a Dividend of Rs. 33 per equity share (Face value of Rs. 2/- each) amounting to Rs. 787.59 Crores has been recommended by the Board of Directors which is subject to approval of the Shareholders. The amounts calculated are based on the number of shares likely to be entitled for dividend as estimated on May 13, 2021.

For movement in other equity during the year, refer Statement of Changes in Equity.

		As at		As at	
		March 31, 2021		March 31, 2020	
		Rs. in Crores		Rs. in Crores	
<b>18.</b>	<b>NON CURRENT BORROWINGS</b>				
	<b>Secured - at amortized cost</b>				
	Term Loan From Banks				
	Ruppee Loans	10,556.09		9,266.19	
	Foreign Currency Non Repatriable Loans (FCNR)	547.55		567.94	
	Others	2,304.39		896.08	
			13,408.03		10,730.21
	Term Loan from Others		968.27		2,081.68
	Redeemable Non Convertible Debentures		13,225.62		6,858.74
	<b>Unsecured - at amortized cost</b>				
	Foreign Currency Non Repatriable Loans	-		70.65	
			-		70.65
	Liability component of Compulsorily convertible debentures (Refer Note 17)		-		70.79
	Redeemable Non Convertible Debentures		494.84		494.18
	<b>TOTAL</b>		<b>28,096.76</b>		<b>20,306.25</b>

**18. Non Current Borrowings**

**Terms of repayment, nature of security & rate of interest in case of Secured Loans:**  
**A. Secured Term Loans from Banks #**

<b>Nature of Security</b>	<b>Terms of repayment</b>	<b>Principal Outstanding as at March 31, 2021</b>	<b>Principal Outstanding as at March 31, 2020</b>
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months - 33.34%, repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	500.00	-
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 36 months from the date of first drawdown principal repayable in 12 months-10.00%, repayable in 24 months-20% ,repayable in 36 months-70 %	266.00	-
First charge over identified OTC brands and receivable. Second charge on Immoveable office property at Kurla. No further charge to be created on the same except for existing encumbrances	Total Tenor of 3 years from date of first drawdown repayable in the 1st year of Q1 and Q2 -1 % each , Q3 and Q4 -4% each ,in the 2nd year of Q1 and Q2 -5 % each , Q3 and Q4- 10% each ,in the 3rd year of Q1 and Q2 -10 % each ,Q3 and Q4-20% each	-	270.00
First pari passu charge on all the movable properties of the Company's i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future , at the below locations:(a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c) Digwal Village , Medak District , Telangana (d) Mahad, District Raigad, Maharashtra (e) Matoda Village, Ahmedabad .First pari passu charge on Company s immovable properties at (a) Pithampur ,Madhya Pradesh and (b) Mahad, District Raigad, Maharashtra (c) Digwal, Sangareddy District ,Telangana . First pari passu charge by way of hypothecation of receivables from the loans extended for the financial services business	Bullet Repayment , Total tenor of 24 months from date of first drawdown .	-	150.00
First pari passu charge on the underlying assets / fixed assets of the Company	Total Tenor of 24 months from date of first drawdown repayable in 1st year of Q3 & Q4 each - 5%, in the 2nd year of Q1 - 5%, Q3 - 20%, and Q4 - 65%	-	425.00
First pari passu charge on all the movable properties of the Company's i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future , at the below locations:(a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c) Digwal Village , Medak District , Telangana (d) Mahad, District Raigad, Maharashtra (e) Matoda Village, Ahmedabad .First pari passu charge on Company s immovable properties at (a) Pithampur ,Madhya Pradesh and (b) Mahad, District Raigad, Maharashtra (c) Digwal, Sangareddy District ,Telangana . First pari passu charge by way of hypothecation of receivables from the loans extended for the financial services business	Total tenor of 13 months from date of first drawdown, repayable on monthly basis of Rs 50 Crs each starting from the end of 4th month.	-	500.00
First pari passu charge on all the movable properties of the Company's i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future , at the below locations:(a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c) Digwal Village , Medak District , Andhra Pradesh (d) Mahad, District Raigad, Maharashtra (e) Matoda Village, Ahmedabad .First pari passu charge on Company s immovable properties at (a) Pithampur ,Madhya Pradesh and (b) Mahad, District Raigad, Maharashtra (c) Digwal, Sangareddy District ,Telangana . First pari passu charge by way of hypothecation of receivables from the loans extended for the financial services business	Bullet Repayment , Total tenor of 13 months from date of first drawdown .	-	300.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in ten equal half yearly instalments with moratorium period of one year from drawdown date	-	25.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in twelve equal quarterly instalments commencing from 27 month of drawdown date	125.09	187.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in ten equal quarterly instalments commencing from 21st month from date of drawdown	-	321.99
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in three years from drawdown date	-	500.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in twelve quarterly instalments Commencing from 25th month from date of drawdown	375.00	750.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in half yearly instalments Commencing from one year from date of drawdown	16.67	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in half yearly instalments Commencing from one year from date of drawdown	8.33	25.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in three years from drawdown date	-	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in eight equal quarterly instalments commencing after the moratorium period of two years from the date of drawdown	50.00	125.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in six equal quarterly instalments commencing from 7 quarter of date of drawdown	-	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in twelve equal quarterly instalments commencing from 25 months from date of drawdown	62.73	83.33
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in twelve quarterly instalments Commencing from 25th month from date of drawdown	250.00	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in ten equal quarterly instalments commencing from 21st month from date of drawdown	16.16	66.16
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in eight equal quarterly instalments commencing from 15th month from date of drawdown	-	12.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date.	194.03	312.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in twelve equal monthly instalments after the moratorium period of 24 months from the drawdown date	-	83.31
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in ten equal quarterly instalments starting from 21st month from drawdown date	96.99	396.99
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in eight half yearly instalments commencing after initial moratorium period of 12 months	72.37	112.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in twelve monthly instalments, first 11 of 20.83 crore each and the 12th instalment of 20.87 crore post holiday period of 24 months from drawdown date	-	125.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in three years from drawdown date	-	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in eight half yearly instalments commencing after 12th month from the drawdown date	31.73	37.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	34.40	109.40
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in eight equal quarterly instalments commencing after a moratorium of 2 years from the date of drawdown	108.88	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in twelve equal monthly instalments commencing after a moratorium period of 24 months from the date of drawdown	-	125.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	17.20	47.20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	34.40	94.40
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Repayable in sixteen equal quarterly instalments commencing from 13th month of drawdown date	226.45	375.00



**A. Secured Term Loans from Banks # (continued)**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly instalments commencing after moratorium of 24 months from the date of drawdown	-	82.33
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown.	123.49	273.49
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in nineteen quarterly instalments commencing after a moratorium period of 3 months from the date of drawdown	86.45	126.32
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date	161.24	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly instalments commencing post moratorium period of 2 years from the drawdown date	22.91	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight quarterly instalments commencing after a moratorium period of 12 months from the date of first disbursement	-	187.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment in equal half yearly instalments	37.50	62.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in two years from drawdown date	-	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	300.00	300.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 18 quarterly instalment after moratorium period of 6 months from the date of 1st drawdown	1,333.34	1,666.67
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 12 quarterly instalment of Rs. 41.67 Crs after moratorium period of 6 months from the date of 1st drawdown	291.11	374.99
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 16 quarterly instalment of Rs. 6.23 Crs after moratorium period of 3 months from the date of 1st drawdown	124.88	162.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 47 equal monthly instalment of Rs. 10.42 Crs each and 48th instalment of Rs. 10.50 Crs after drawdown.	211.41	346.87
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 6 equal semi annual instalment after 12 months from drawdown date	142.93	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 35 months from drawdown date	82.81	166.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 47 equal monthly instalment of Rs. 10.42 Crs each and 48th instalment of Rs. 10.50 Crs after drawdown	221.83	357.29
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of Principle to be repaid in 12 equal quarter instalment of Rs. 25 Crs after moratorium period of the 2 years from the date of drawdown	299.79	300.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 4 year from drawdown date	60.78	94.11
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 84 months from drawdown date	675.00	675.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	-	230.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 472 days from drawdown date	-	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 472 days from drawdown date	-	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	230.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 equal quarterly instalments fter the moratorium period of 6 months from the drawdown date	399.35	500.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months in 9 equal half yearly instalments commencing after initial moratorium of 6 months	230.81	300.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	115.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan to be repaid in 19 equal quarterly instalments starting from 1 quarter from date of first disbursement.	421.07	500.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 16 equal quarterly instalments commencing from 12 month.	393.19	400.00
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 194 months from drawdown date	76.94	184.15
Specific loan cash flows & underlying that are part of the Assignment pool	Repayable in 362 months from drawdown date	135.39	334.75
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 85 months from drawdown date	499.88	500.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	175.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	-	24.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	159.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	250.00	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months from drawdown date	50.00	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	300.00	300.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 20 equal quarterly instalments after the moratorium period of 24 months from the drawdown date	208.74	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly instalments post moratorium period of 1 year.	2,500.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly instalments post moratorium period of 1 year.	500.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly instalments post moratorium period of 1 year.	500.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year.	499.99	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	230.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months from drawdown date	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	65.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months from drawdown date	50.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	110.00	-

**A. Secured Term Loans from Banks # (continued)**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly instalments.	350.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	167.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 20 equal quarterly instalments.	750.00	-
JP Morgan Term Loan - All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan from JP Morgan Chase Bank.	Repayment in 20 quarterly instalments from Sept 2019 with lump payment at end of 5 years. Option to renew another 5 years.	837.07	979.93
PNC Term Loan - vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from June 2019	19.13	25.44
City National Bank Florida Term Loan - vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Aug 2019	13.68	17.99
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Jun 2020	6.78	-
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Sep 2020	9.00	-
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Sep 2020	15.23	-
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Nov 2020	30.45	-
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Jan 2021	17.67	-
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Feb 2021	13.72	-
Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Feb 2021	7.00	-
Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Apr 2021	10.45	-
Primary security: Secured against brands and current assets of PCC UK, Piramal Dutch Holdings investments in Piramal Healthcare UK, Piramal Healthcare Canada Collateral security: Guarantee by PEL.	Repayable in 14 structured instalments after moratorium of 18 months from the first draw down date	511.81	-
Charge on brands acquired on exclusive basis	Repayable in 13 quarterly instalments of \$ 5.29 Mn starting March 2022, followed by a Lumpsum payment of \$ 46.23 Mn in June 2025	840.80	-
1. Corporate Guarantee by PEL and 2. First ranking security over assets of PEL Pharma Inc.	Repayable in 14 structured instalments after moratorium of 18 months from the first draw down date	292.46	-
First charge on all moveable and immovable fixed assets, present and future of the Company. Company is in the process of creation of charge on immovable fixed assets.	Repayable in 20 Quarterly instalments from Feb 2019	54.45	-
Unconditional and irrevocable sale, assignment and transfer of the receivable from identified financial assets together with underlying security	Repayable in 30 monthly instalments as per repayment schedule commencing from 15th Oct 2019.	-	258.89
Fixed and floating charges over the freehold and leasehold property and all other assets owned by the company	Repayable in 20 quarterly instalments from March 2016	-	21.01

The coupon rates for the above loans are from 2.79 % (GBP LIBOR+2.6%) per annum to 12.50 % per annum (Previous year : 2.72% [GBP LIBOR+2.1%] to 10.65 % per annum)

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

# Creation of charges in respect of certain loans are still in process

**B. Foreign Currency Non Repatriable Loans:**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
First pari-passu charge on the standard assets including receivables present and future	Repayable in 65 months from drawdown date	261.32	261.32
First pari-passu charge on the standard assets including receivables present and future	Repayable in 53 months from drawdown date	261.32	261.32

The rate of interest for the above loans is 9.30% per annum

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

**C. Term Loan from others:**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months - 33.34%, repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	125.00	-
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months - 33.34%, repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	100.00	-
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 29 months from drawdown date	419.50	1,414.02
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 105 months from drawdown date	251.39	577.10
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 365 days from drawdown date	-	50.00

The coupon rates for the above loans are 8.90% to 11.25 % per annum.

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

**D. Secured Debentures:**

Nature of Security	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
50 (Previous Year : 50) (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by a First Pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of Rs 5 Crores is redeemable at par at the end of 3650 days from the date of allotment.	5.00	5.00
350 (Previous Year : 350) (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of Rs 35 Crores is redeemable at par at the end of 3652 days from the date of allotment.	35.00	35.00
760 (Previous Year : NIL) (payable quarterly) 9.50% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	First ranking exclusive pledge over certain shares of Piramal Pharma Limited and First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited in favour of the Debenture Trustee. First ranking pari passu charge by way of hypothecation over inter-corporate deposits granted to PCHFL.	The amount of Rs 76 Crores is redeemable at par at the end of 1,095 days from the date of allotment.	76.00	-
25,900 (Previous Year : NIL) (payable quarterly) 9.00% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	First ranking exclusive pledge over the certain shares of Piramal Pharma Limited, First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited and certain assets including PCHFL ICD and first ranking pari passu charge over the receivables, investments and other current assets of PCHFL in favour of the Debenture Trustee	The amount of Rs 2,590 Crores is redeemable at par at the end of 1,096 days from the date of allotment.	2,590.00	-
5,000 (Previous Year : NIL) (payable annually) 8.55% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by a First Pari Passu charge by way of hypothecation of Receivables of Inter-Company Deposits placed with PHL Fininvest Private Limited from Piramal Enterprises Limited and a first ranking pari passu mortgage over specifically mortgaged premises.	The amount of Rs 500 Crores is redeemable at par at the end of 1,093 days from the date of allotment.	500.00	-

D. Secured Debentures: (continued)

Nature of Security	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
100 (Previous Year : 100) (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of Rs 10 Crores is redeemable at par at the end of 1826 days from the date of allotment	10.00	10.00
NIL (Previous Year : 3,000) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	The amount of Rs 300 Crores is redeemable at par at the end of 731 days from the date of allotment	-	300.00
NIL (Previous Year : 250) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	The amount of Rs 175 Crores is redeemable at par at the end of 731 days from the date of allotment	-	25.00
NIL (Previous Year : 250) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	The amount of Rs 25 Crores is redeemable at par at the end of 731 days from the date of allotment	-	25.00
NIL (Previous Year : 2,000) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of Rs 200 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	200.00
NIL (Previous Year : 500) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	The amount of Rs 50 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	50.00
NIL (Previous Year : 400) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	The amount of Rs 40 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	40.00
NIL (Previous Year : 150) (payable annually ) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	The amount of Rs 15 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	15.00
NIL (Previous Year : 100) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	The amount of Rs 10 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	10.00
NIL (Previous Year : 100) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	The amount of Rs 10 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	10.00
NIL (Previous Year : 50) (payable annually ) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	The amount of Rs 5 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	5.00
NIL (Previous Year : 550) (payable annually ) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation.	The amount of Rs 55 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	55.00
NIL (Previous Year : 250) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation.	The amount of Rs 25 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	25.00
NIL (Previous Year : 200) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation.	The amount of Rs 20 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	20.00

D. Secured Debentures: (continued)

Nature of Security	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
NIL (Previous Year : 5,000) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	The amount of Rs 500 Crores is redeemable at par at the end of 547 days from the date of allotment	-	500.00
NIL (Previous Year : 5,000) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company and set out in the Debenture Trust deed and Deed of Hypothecation. The Company shall maintain security cover of at least one times of the entire redemption amount throughout the tenure of the NCDs.	The amount of Rs 500 Crores is redeemable at par at the end of 546 days from the date of allotment	-	500.00
NIL (Previous Year : 3,000) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First ranking exclusive charge by way of hypothecation over the receivables ,to be created by its affiliates. The Company shall maintain security cover of at least one times of the entire redemption amount throughout the tenure of the NCDs.	The amount of Rs 300 Crores is redeemable at par at the end of 836 days from the date of allotment	-	300.00
NIL (Previous Year : 7,500) (payable quarterly) 10.25% Secured Rated UnListed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by (i) A first ranking exclusive charge by way of hypothecation over the receivables ,to be created by its affiliates and (ii) A first ranking charge by way of hypothecation over (i) the Designated Account and monies in it ,to be created by the Company. (iii) any other security specified from time to time under the debenture trust deed.	The amount of Rs 750 Crores is redeemable at par at the end of 457 days from the date of allotment	-	750.00
NIL (Previous Year : 16,000) (payable quarterly) 10.25% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by : (i) a first ranking exclusive charge by way of hypothecation over the Hypothecated Assets ,to be created by PHL Fininvest ,so as to ensure compliance with the Security Cover Ratio at all times in accordance with clause 6.2 of this Deed (ii) a first ranking exclusive charge by way of hypothecation over the Designated Account Assets, to be created by the Company; and (iii) a first ranking exclusive pledge over the Pledged Shares to be created by the Pledgors, in favour of the Debenture Trustee for the benefit of the Secured Parties,in form and substance satisfactory to the Debenture Trustee.	The amount of Rs 910 Crores is redeemable at par at the end of 548 days from the date of allotment	-	910.00
NIL (Previous Year : 1,500) (payable quarterly) 10.25% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by : (i) a first ranking exclusive charge by way of hypothecation over the Hypothecated Assets ,to be created by PHL Fininvest ,so as to ensure compliance with the Security Cover Ratio at all times in accordance with clause 6.2 of this Deed (ii) a first ranking exclusive charge by way of hypothecation over the Designated Account Assets, to be created by the Company; and (iii) a first ranking exclusive pledge over the Pledged Shares to be created by the Pledgors, in favour of the Debenture Trustee for the benefit of the Secured Parties,in form and substance satisfactory to the Debenture Trustee.	The amount of Rs 90 Crores is redeemable at par at the end of 531 days from the date of allotment	-	90.00
NIL (Previous Year : 6,900) (payable at maturity) 10.00% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by (a) a first ranking exclusive pledge to be created by PHL FinInvest over such number of the ReNew NCDs held by it, constituting the Collateral Securities;(b) a first ranking exclusive pledge to be created by PFMP over such number of the ReNew NCDs held by it, constituting the Collateral Securities;(c) a first ranking pledge to be created by the Company over such number of the WGHPL NCDs held by it, constituting the Collateral WGHPL Securities with a first priority of payment in respect of the Existing Debentures and a second priority of payment in respect of the Common Secured Obligations provided after the Step Up Date the priority of payment in relation to the Common Secured Obligations will step up to first priority;(d) A first ranking pledge to be created by PHL FinInvest over such number of the WGHPL NCDs held by it, constituting the Collateral WGHPL Securities with a first priority of payment in respect of the Existing Debentures and a second priority of payment in respect of the Common Secured Obligations provided after the Step Up Date the priority of payment in relation to the Common Secured Obligations will step up to first priority;(e) a second ranking exclusive fixed charge over all its present and future rights, titles, interests, benefits, claims, demands of the Company in the Designated Account Assets (PEL) which upon occurrence of the Step Up Date shall stand automatically converted to a first ranking exclusive charge (excluding in respect of the Securities Receivables whether or not deposited in the Designated Account (PEL) the charge in relation to which will have the ranking set out in paragraph (h) below);(f) a first ranking exclusive fixed charge over all its present and future rights, titles, interests, benefits, claims, demands of PHL FinInvest in the Designated Account Assets (PHL FinInvest);(g) a second ranking exclusive fixed charge over all rights, title, interest, benefits, claims and demands whatsoever of the Company or PHL FinInvest, whether presently in existence or acquired hereafter in, to, under and/or in respect of the WGHPL Securities Receivables, whether or not deposited in the Designated Accounts, both present and future which upon occurrence of the Step Up Date shall stand automatically converted to a first ranking exclusive charge;(h) a first ranking exclusive fixed charge over all rights, title, interest, benefits, claims and demands whatsoever of PHL FinInvest and PFMP, whether presently in existence or acquired hereafter in, to, under and/or in respect of the Securities Receivables, whether or not deposited in the Designated Accounts, both present and future; and (i) a first ranking exclusive charge over all present and future rights, title, interest, benefit, claims, demands of PHL FinInvest and PFMP in, to and under the Underlying Securities Documents to the fullest extent permitted under the Applicable Law and terms of the Underlying Securities Documents (but to the extent of the Securities).	The amount of Rs 399.40 Crores is redeemable at par at the end of 368 days from the date of allotment	-	399.40
50 (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2555 days from the date of allotment.	5.00	5.00
NIL (Previous year: 2,000, payable on maturity) 8.85% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 1152 days from the date of allotment	-	200.00
NIL (Previous Year: 4400, payable on maturity) 8.85% Secured, Rated, Listed, redeemable Non Convertible Debentures (NCD's) each having a face value of Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 1154 days from the date of allotment	-	440.00
250 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2556 days from the date of allotment	25.00	25.00
NIL (Previous Year: 950, payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years from the date of allotment	-	95.00
NIL (Previous Year: 500, payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years from the date of allotment	-	50.00



**D. Secured Debentures: (continued)**

Nature of Security	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
500 (payable annually) 7.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	50.00	-
1500 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	150.00	-
1500 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	150.00	-
500 (payable annually) 9.32% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	50.00	-
1750 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	175.00	-
15000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	1,500.00	-
3750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	375.00	-
1750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	175.00	-
15000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	1,500.00	-
3750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	375.00	-
750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	75.00	-
500 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 60 months from the date of allotment	50.00	-
509 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 22 months from the date of allotment	50.90	-
250 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	25.00	-
25,210 (previous year 25,210) Secured, Unrated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs 420,071 (previous year Rs. 913,130)	First exclusive charge by hypothecation/pledge over the identified financial assets including all receivables therefrom.	The NCD's are repayable in 36 months and 8 days from the date of allotment; with put option	1,059.00	2,302.00
9% per annum from date of allotment till 6th April, 2020 8.85% per annum from 7th April, 2020 till maturity				
Nil (previous year: 5,480) Secured, Unrated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. nil (previous year - 33,047)	First exclusive charge by hypothecation/pledge over the identified financial assets including all receivables therefrom.	The NCD's are repayable in 36 months and 6 days from the date of allotment; with put option	-	18.11
9% per annum from date of allotment till 31st July, 2020 8.85% per annum from 1st August, 2020 till maturity				
400 (previous year - nil) Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000 (previous year - nil)	A first ranking pari-passu charge hypothecation/pledge over the identified financial assets including all receivables therefrom.	The NCD's are repayable in 18 months from the date of allotment.	40.00	-
8.10% per annum from date of allotment till maturity				
1,400 (previous year - nil) Secured, Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000 (previous year - nil)	A first ranking pari-passu charge hypothecation/pledge over the identified financial assets of the holding company including all receivables therefrom.	The NCD's are repayable in 24 months and 15 days from the date of allotment.	1,400.00	-
10.25% per annum from date of allotment till maturity				
350 (previous year - nil) Secured, Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000 (previous year - nil)	A first ranking pari-passu charge hypothecation/pledge over the identified financial assets of the holding company including all receivables therefrom.	The NCD's are repayable in 23 months and 1 days from the date of allotment.	350.00	-
10.25% per annum from date of allotment till maturity				

The coupon rate for the above debentures are in the range of 7.85% % to 10.25 % per annum (Previous Year : 7.90 % to 10.25 % per annum). Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

**Terms of repayment & rate of interest in case of Unsecured Loans:**

**A. Term Loan from Banks (FCNR loan)**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
Long term Unsecured foreign currency Non Repatriable loans from banks	Loan shall be repaid by 18 EMI's starting from month following the end of moratorium period of 18 months	-	240.22

The coupon rate for the above loan - (Previous Year : 6.00 % per annum )

**B. Unsecured Debentures**

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
5,000 (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	The NCD's are repayable after 10 years from the date of allotment	500.00	500.00
Nil (Previous Year : 1,000 ) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs. 100 Crores redeemable at par at the end of 1130 days from the date of allotment.	-	100.00
Nil (Previous Year : 250 ) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs. 25 Crores redeemable at par at the end of 1130 days from the date of allotment.	-	25.00

The coupon rates for the above loans is 9.55% per annum (Previous Year 8.20% to 9.55 % per annum)

**Terms and Description of Compulsorily Convertible Debentures**

Compulsorily Convertible debentures (CCD) outstanding as at 31 March 2021 is Rs. 1,749.99 Crores. Each CCD has a par value of Rs. 151,000 and is convertible at the option of the CCD holder into Equity shares of the Company starting from December 19, 2019 in the ratio of hundred equity share of Rs. 2 each for every one CCD held. Any CCD not converted will be compulsory converted into equity shares on June 12, 2021 at a price of Rs. 1,510 per share. The CCD carry a coupon of 9.28% per annum, payable in 3 half-yearly installments. The basis of presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policies. The CCDs allotted and the equity shares arising out of conversion of such CCDs shall not be disposed off for a period of 18 months from the date of trading approval. During the previous year ended March 31, 2020, outstanding CCD were Rs. 1,749.99 Crores. Refer Note 60(a) for movement in CCDs.



**PIRAMAL ENTERPRISES LIMITED**

Notes to the Consolidated financial statements for the year ended March 31, 2021

	As at		As at	
	March 31, 2021		March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>19. OTHER FINANCIAL LIABILITIES - NON-CURRENT</b>				
Others		-		0.72
<b>TOTAL</b>		<b>-</b>		<b>0.72</b>
<b>20. NON-CURRENT PROVISIONS</b>				
Provision for employee benefits (Refer Note 42)		30.08		65.10
Provision for Onerous contracts *		0.08		0.11
<b>TOTAL</b>		<b>30.16</b>		<b>65.21</b>
* Refer Note 50 for movement during the year				
<b>21. DEFERRED TAX LIABILITIES (NET)</b>				
<b>(a) Deferred Tax Liabilities on account of temporary differences</b>				
- Property, Plant and Equipment and Intangible assets	252.96		69.07	
- Fair Valuation of Derivative contract	4.30		-	
- Others	0.37		0.19	
		257.63		69.26
<b>(b) Deferred Tax Asset on account of temporary differences</b>				
- Provision for Onerous Contracts				
- Other Provisions	0.24		34.87	
- Unused tax credits / losses	18.84		17.79	
- Expenses that are allowed on payment basis	15.87		8.38	
- Others	-		-	
		34.95		61.04
<b>DEFERRED TAX LIABILITIES (NET)</b>		<b>222.68</b>		<b>8.22</b>
<b>22. OTHER NON-CURRENT LIABILITIES</b>				
Deferred Government grant related to assets		1.95		2.04
Other grants related to assets		107.17		107.91
Deferred Revenue		33.54		29.44
<b>TOTAL</b>		<b>142.66</b>		<b>139.39</b>
<b>23. CURRENT BORROWINGS</b>				
<b>Secured - at amortised cost</b>				
Loans from banks				
- Working Capital Demand Loan	685.45		4,430.39	
- Overdraft with banks (including PCFC)	173.88		1,785.14	
- Collateralized Debt Obligations (Refer Note 10)	-		33.54	
		859.33		6,249.07
<b>Unsecured - at amortised cost</b>				
Loans from banks				
Overdraft with banks	14.69		-	
Rupee Loans				
- Repayable on demand	415.00		400.12	
Foreign Currency Non Repatriable Loans				
- PCFC from banks	8.99		230.66	
Intercorporate Deposits	351.76		-	
Commercial Papers	1,637.68		1,070.06	
Compulsorily Convertible preference shares	75.00		-	
		2,503.12		1,700.84
<b>TOTAL</b>		<b>3,362.45</b>		<b>7,949.91</b>

23. Current Borrowings

Description of loan	Terms of repayment	Rate of Interest
<b>Secured Loans:</b>		
Working capital Demand Loan	At Call	1.47% to 10.25% per annum
Overdraft with banks*	At Call	2.1% per annum
Others (PCFC)*	At Call	0.74% per annum
Collateralized Debt Obligations*	Repayable by the end of credit period	3.93 % to 10.50 % per annum
<b>Unsecured Loans:</b>		
Commercial Papers	Repayable within 365 days from date of disbursement	7.00 % to 8.50 % per annum
Loans from Banks (Repayable on demand)	Repayable within 365 days from date of disbursement	5.00 % per annum
Overdraft with banks*	At Call	2.6% to 4.25%
Inter corporate deposits	Repayable by the end of credit period	8.25% per annum

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

A. Working capital Demand Loan

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Repayable on May 31, 2021	50.00	-
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Repayable on April 30, 2021	50.00	-
First pari passu charge by way of hypothecation on receivables from PHL Fininvest Pvt Ltd (100% subsidiary of PEL) to PEL.	Bullet Repayment at the end of the tenor of 6 months from date of first drawdown .	-	50.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Bullet Repayment at the end of the tenor of 6 months from date of first drawdown .	-	125.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Bullet Repayment at the end of the tenor of 6 months from date of first drawdown .	-	125.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Bullet Repayment at the end of the tenor of 4 months from date of first drawdown .	-	125.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Bullet Repayment at the end of the tenor of 4 months from date of first drawdown .	-	125.00
Secured by hypothecation of inventories and book debts	Repayable on Sept 18, 2020	-	10.00
Secured by hypothecation of inventories and book debts	Repayable on July 31, 2020	-	50.00
Secured by hypothecation of inventories and book debts	Repayable on May 15, 2020	-	15.00
Secured by hypothecation of inventories and book debts	Repayable on Apr 22, 2020	-	24.91
Secured by hypothecation of inventories and book debts	Repayable on Apr 11, 2020	-	1.66
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	14.80
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	75.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	24.17
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	75.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	50.00

**A. Working capital Demand Loan**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	1,600.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	1,200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable within 365 days from date of drawdown.	49.99	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable within 92 days from date of drawdown.	250.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable within 92 days from date of drawdown.	200.00	-
JP Morgan Revolver Facility - All the assets (except carved out vaporizers financed through PNC Bank, City National Bank, Fifth Third Bank and Citizen Bank of Florida and intangibles acquired from fellow subsidiary) of the Company are collateralized against the WCDL from JP Morgan Chase Bank.	As we determine. 5 year term with renewable 5 year option	51.27	134.74
100% Secured by hypothecation of inventories and book debts	At Call	30.00	-
First charge (Hypothecation) on Current assets and Second charge (hypothecation) on movable fixed assets. Also, Corporate guarantee given by Piramal Enterprises Limited and Navin Fluorine International Limited in the share of 51:49, respectively.	On the due date of receipt against export bill discounted, ie. 14-05-21	2.92	-

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

**B. Others (PCFC)**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
100% Secured by hypothecation of inventories and book debts	At Call	60.02	-

The coupon rate for the above instruments is 0.74% per annum (Previous year : Nil)

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

**A. Intercompany deposit from Others**

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
Inter Corporate Deposit	Repayment on June 07,2021 for an amount of Rs 350 Crores	350.00	-

The coupon rate for the above instruments is 8.25 % per annum (Previous year : Nil)

**B. Other loans from banks**

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
Short term loans from banks	Repayable on 10th March 2022	415.00	-

The coupon rate for the above instruments is 5% per annum (Previous year : Nil)

**PIRAMAL ENTERPRISES LIMITED**
**Notes to the Consolidated financial statements for the year ended March 31, 2021**

	As at		As at	
	March 31, 2021		March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>24. OTHER FINANCIAL LIABILITIES - CURRENT</b>				
Current maturities of long-term debt (Refer Note 18)		7,909.95		13,798.38
Unclaimed Dividend (Refer Note below)		20.68		21.68
Employee related liabilities		218.47		230.96
Capital Creditors		2.62		4.25
Retention money		0.25		-
Security Deposits Received		3.11		3.38
Derivative Financial Liabilities		6.43		17.66
Other payables		25.67		0.69
<b>TOTAL</b>		<b>8,187.18</b>		<b>14,077.00</b>
There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the year end.				
<b>25. OTHER CURRENT LIABILITIES</b>				
Advance From Customers#		73.96		86.23
Deferred Revenue#		47.46		3.69
Deferred grant related to assets		0.25		0.47
Statutory Dues		65.11		41.97
Other grant related to assets		29.32		27.18
<b>TOTAL</b>		<b>216.10</b>		<b>159.54</b>
# During the current year ended March 31, 2021, the Group has recognized revenue of Rs. 86.23 Crores (Previous year: Rs. 378.08 Crores) arising from opening advance from customers/ deferred revenue as of April 01, 2020. Out of the above for previous year, revenue amounting to Rs. 295.51 Crores forms part of discontinued operations (Refer note 56 (a)).				
<b>26. CURRENT PROVISIONS</b>				
Provision for employee benefits (Refer Note 42)		52.55		52.66
Provision for Expected Credit Loss on Loan Commitments / Letter of Credit (Refer Note 49 (f))		109.83		188.19
Provision for Litigations & Disputes *		3.50		3.50
<b>TOTAL</b>		<b>165.88</b>		<b>244.35</b>
* Refer Note 50 for movement during the year				
<b>27. CURRENT TAX LIABILITIES (NET)</b>				
Provision for Income Tax [Net of Advance Tax of Rs. 525.82 Crores as on March 31, 2021, (Previous year Rs. 434.63 Crores)]		189.74		212.91
<b>TOTAL</b>		<b>189.74</b>		<b>212.91</b>

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

	<b>As at March 31, 2021 Rs. in Crores</b>	<b>As at March 31, 2020 Rs. in Crores</b>
<b>28 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>A Contingent liabilities:</b>		
<b>1 Claims against the Company not acknowledged as debts:</b>		
- Demand dated June 5, 1984 the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 not accepted by the Company. The Company has been legally advised that the demand is untenable.	0.61	0.61
<b>2 Others:</b>		
i. Appeals filed in respect of disputed demands:		
Income Tax		
- where the Company is in appeal	302.19	618.04
- where the Department is in appeal	368.55	243.97
Sales Tax	16.62	16.71
Central / State Excise / Service Tax / Customs	69.71	73.88
Labour Matters	1.10	0.29
Stamp Duty	9.37	4.00
Legal Cases	3.21	6.94
	-	
ii. Unexpired Letters of Credit	0.28	14.23
<b>3 Indemnity given to Navin Fluorine International Limited in relation to service tax matter where company is in appeal</b>	<b>1.79</b>	<b>-</b>
Note: Future cash outflows in respect of 1 and 2(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.		
<b>B Commitments:</b>		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	164.47	95.50
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	14.38	16.07
Refer note 49 (a) in case of loan commitments		

**PIRAMAL ENTERPRISES LIMITED**
**Notes to the Consolidated financial statements for the year ended March 31, 2021**

	Year Ended March 31, 2021		Year Ended March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>29. REVENUE FROM OPERATIONS</b>				
<b>A. Revenue from contract with customers</b>				
Sale of products	4,904.04		4,839.07	
Sale of Services	855.00		508.09	
		5,759.04		5,347.16
<b>B. Income of financing activities:</b>				
Interest income on instruments measured at amortised cost	6,421.63		7,304.02	
Income on instruments mandatorily measured at FVTPL	577.92		281.55	
Dividend income on instruments designated at FVTOCI (refer note below)	6.16		14.48	
Processing/ arranger fees	5.05		21.95	
Others	0.96		0.07	
		7,011.72		7,622.07
		12,770.76		12,969.23
<b>C. Other operating revenues:</b>				
Processing Charges Received	1.04		0.17	
Miscellaneous Income	37.55		98.89	
		38.59		99.06
<b>TOTAL</b>		<b>12,809.35</b>		<b>13,068.29</b>

All dividends from equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period. There was no dividend income relating to investments derecognized during the reporting period.

**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 Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

For the year ended March 31, 2021 and March 31, 2020

Revenue by product line/ timing of transfer of goods/ services	Year Ended March 31,2021		Year Ended March 31,2020	
	At point in time	Over time	At point in time	Over time
<b>Pharmaceuticals</b>				
Global Pharma	4,753.55	590.69	4,421.08	479.83
Over the counter products	394.56	-	418.00	-
<b>Total</b>	<b>5,148.11</b>	<b>590.69</b>	<b>4,839.08</b>	<b>479.83</b>
<b>Financial Services</b>	-	20.24	-	28.25
<b>Total</b>	-	<b>20.24</b>	-	<b>28.25</b>
<b>Total</b>	<b>5,148.11</b>	<b>610.93</b>	<b>4,839.08</b>	<b>508.08</b>

**Reconciliation of revenue recognised with contract price:**

(Rs. in Crores)

Particulars	March 31, 2021	March 31, 2020
Sale of products and services at transaction price	6,403.33	5,883.47
Less: Discounts	(644.29)	(536.31)
<b>Revenue recognised on sale of products and services</b>	<b>5,759.04</b>	<b>5,347.16</b>

	Year Ended March 31, 2021		Year Ended March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>30. OTHER INCOME (NET)</b>				
Interest Income on Financial Assets				
- On Non-current Investments				
- On Current Investments	0.06		27.28	
- On Loans and Bank Deposits (at amortised costs)	39.10		134.24	
- On Receivables and Others	1.65		(0.00)	
		40.81		161.52
Dividend Income				
- On Current Investments at FVTPL		2.25		2.35
Profit on Sale of Investment, (net)		-		11.32
Other Gains & Losses:				
- Gain on Sale of Property, Plant and Equipment		24.41		2.40
- Exchange Gain (Net)		26.40		30.87
- Fair Value gains on derivative instruments not designated as hedge		140.31		-
Provision no Longer Required, Written Back (Refer note below)		4.71		125.29
Miscellaneous income		124.75		157.36
<b>TOTAL</b>		<b>363.64</b>		<b>491.11</b>

Provision written back relates to write back of provisions for various expenses created in earlier years that is no longer required.



**PIRAMAL ENTERPRISES LIMITED**

Notes to the Consolidated financial statements for the year ended March 31, 2021

	Year Ended		Year Ended	
	March 31, 2021		March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>31. COST OF MATERIALS CONSUMED</b>				
<b>Raw and Packing Materials</b>				
Opening Inventory		394.10		341.65
Add: Purchases		1,481.35		1,429.64
Less: Closing Inventory		463.25		394.10
<b>TOTAL</b>		<b>1,412.20</b>		<b>1,377.19</b>
<b>32. PURCHASES OF STOCK-IN-TRADE</b>				
Traded Goods		664.69		473.45
<b>TOTAL</b>		<b>664.69</b>		<b>473.45</b>
<b>33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>				
<b>Opening Inventory:</b>				
Work-in-Progress	326.61		248.85	
Finished Goods	89.97		101.55	
Stock-in-trade	184.69		77.05	
		601.27		427.45
<b>Less: Closing Inventory :</b>				
Work-in-Progress	325.82		326.61	
Finished Goods	155.80		89.97	
Stock-in-trade	274.93		184.69	
		756.57		601.27
<b>TOTAL</b>		<b>(155.30)</b>		<b>(173.82)</b>
<b>34. EMPLOYEE BENEFITS EXPENSE</b>				
Salaries and Wages		1,439.15		1,392.37
Contribution to Provident and Other Funds (Refer Note 42)		104.64		95.41
Gratuity Expense (Refer Note 42)		6.00		10.46
Staff Welfare		100.68		111.96
<b>TOTAL</b>		<b>1,650.47</b>		<b>1,610.20</b>
<b>35. FINANCE COSTS</b>				
Finance Charge on financial liabilities measured at amortised cost		4,088.53		5,062.51
Other borrowing costs		120.00		258.11
<b>TOTAL</b>		<b>4,208.53</b>		<b>5,320.62</b>
<b>36. OTHER EXPENSES</b>				
Processing Charges		11.25		22.56
Consumption of Stores and Spares Parts		94.25		79.58
Consumption of Laboratory materials		95.51		65.06
Power, Fuel and Water Charges		140.81		124.33
Repairs and Maintenance				
Buildings	53.73		56.58	
Plant and Machinery	123.26		99.39	
Others	21.19		20.60	
		198.18		176.57
Rent		37.82		38.81
Rates & Taxes		76.30		50.41
Insurance		38.43		34.30
Travelling Expenses		19.47		84.09
Directors' Commission		3.04		-
Directors' Sitting Fees		1.47		1.52
Trade Receivables written off	0.02		10.56	
Less: Trade Receivables written off out of Provision for Doubtful Debts (Refer Note 10)	-	0.02	(9.24)	1.32

**PIRAMAL ENTERPRISES LIMITED**
**Notes to the Consolidated financial statements for the year ended March 31, 2021**

	Year Ended		Year Ended	
	March 31, 2021		March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>36. OTHER EXPENSES (continued)</b>				
Expected Credit Loss on Trade Receivables (Refer Note 10)		9.47		6.04
Provision for Doubtful loans and advances		78.96		-
Provision for diminution in value of investments		3.04		-
Loss on Sale of Non Current Investments (Net)		7.09		-
Loss on Sale of Property, Plant & Equipments (Net)		-		0.30
Property, Plant & Equipments Written Off		3.43		-
Advertisement and Business Promotion Expenses		112.08		123.92
Donations		23.83		1.69
Expenditure towards Corporate Social Responsibility activities (Refer note below)		31.81		66.55
Contribution to Electoral Trust		-		60.00
Freight		111.07		76.60
Export expenses		2.46		2.24
Clearing and Forwarding Expenses		46.58		53.73
Communication and Postage		20.00		19.90
Printing and Stationery		8.20		11.24
Claims		-		1.95
Legal Charges		15.44		17.05
Professional Charges		288.46		237.35
Royalty Expense		105.74		64.70
Information Technology Costs		24.98		21.17
Net Fair Value changes		-		41.72
R & D Expenses (Net) (Refer Note 46)		79.31		71.96
Commission on fund raising		0.93		7.53
Miscellaneous Expenses		73.71		74.99
<b>TOTAL</b>		<b>1,763.13</b>		<b>1,639.18</b>

**Note**

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – Rs. 39.39 Crores (Previous year Rs. 10.28 Crores)
- Amount spent during the year on Revenue Expenditure – Rs. 31.81 Crores (Previous year Rs. 66.55 Crores)
- Amount spent during the year on Capital Expenditure - Nil ( Previous year Nil)

	Year Ended		Year Ended	
	March 31, 2021		March 31, 2020	
	Rs. in Crores		Rs. in Crores	
<b>37. EXCEPTIONAL ITEMS</b>				
Mark to market gains on forward contracts taken against the inflow from equity investment from Investors in Pharma segment.		100.80		-
Write off of certain property plant and equipment and intangible assets under development pertaining to Mumbai R & D center		(37.42)		-
Certain transaction costs in relation to the sale of Pharma business		(4.52)		-
<b>TOTAL</b>		<b>58.86</b>		<b>-</b>
<b>38. OTHER COMPREHENSIVE INCOME / (EXPENSE) (NET OF TAXES)</b>				
Other Comprehensive Income / (Expense) related to:				
Fair Valuation of Equity investments		373.77		(1,359.46)
Remeasurement of post-employment benefit obligations (Refer Note 42)		(3.43)		(3.15)
Deferred gains / (losses) on cash flow hedges		18.51		(35.83)
Deferred gains / (losses) on cash flow hedge of discontinued operations		-		3.92
Exchange differences on translation of foreign operations		(9.43)		325.41
Exchange differences on translation of discontinued operation		-		115.83
Gain of bargain purchase		7.43		-
<b>TOTAL</b>		<b>386.85</b>		<b>(953.28)</b>

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

**39 Interests in other entities**

**(a) Subsidiaries**

The Group's subsidiaries at March 31, 2021 are set out below.

Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

The country of incorporation or registration is also their principal place of business.

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2021	% voting power held as at March 31, 2021	
1	PHL Fininvest Private Limited	India	100%	-	Financial Services
2	Piramal International	Mauritius	100%	-	Holding Company
3	Piramal Holdings (Suisse) SA	Switzerland	100%	-	Holding Company
4	Piramal Critical Care Italia, S.P.A**	Italy	80%	20%	Pharmaceutical manufacturing and services
5	Piramal Critical Care Deutschland GmbH**	Germany	80%	20%	Pharmaceutical manufacturing and services
6	Piramal Critical Care Limited **	U.K.	80%	20%	Pharmaceutical manufacturing and services
7	Piramal Healthcare (Canada) Limited **	Canada	80%	20%	Pharmaceutical manufacturing and services
8	Piramal Critical Care B.V. **	Netherlands	80%	20%	Pharmaceutical manufacturing and services
9	Piramal Pharma Solutions B.V. **	Netherlands	80%	20%	Pharmaceutical manufacturing and services
10	Piramal Critical Care Pty. Ltd. **	Australia	80%	20%	Pharmaceutical manufacturing and services
11	Piramal Healthcare UK Limited **	U.K.	80%	20%	Pharmaceutical manufacturing and services
12	Piramal Healthcare Pension Trustees Limited**	U.K.	80%	20%	Pharmaceutical manufacturing and services
13	Piramal Critical Care South Africa (Pty) Ltd **	South Africa	80%	20%	Pharmaceutical manufacturing and services
14	Piramal Dutch Holdings N.V. @@	Netherlands	80%	20%	Holding Company
15	Piramal Healthcare Inc. **	U.S.A	80%	20%	Holding Company
16	Piramal Critical Care, Inc. **	U.S.A	80%	20%	Pharmaceutical manufacturing and services
17	Piramal Pharma Inc.**	U.S.A	80%	20%	Pharmaceutical manufacturing and services
18	Piramal Pharma Solutions Inc. **	U.S.A	80%	20%	Pharmaceutical manufacturing and services
19	PEL Pharma Inc.**	U.S.A	80%	20%	Holding Company
20	Ash Stevens LLC **	U.S.A	80%	20%	Pharmaceutical manufacturing and services
21	Piramal Dutch IM Holdco B.V.***	Netherlands	100%	-	Holding Company
22	PEL-DRG Dutch Holdco B.V.*** \$	Netherlands	100%	-	Holding Company
23	Piramal Capital and Housing Finance Limited	India	100%	-	Financial Services
24	Piramal Fund Management Private Limited	India	100%	-	Financial Services
25	Piramal Asset Management Private Limited	India	100%	-	Financial Services
26	Piramal Investment Advisory Services Private Limited	India	100%	-	Financial Services
27	Piramal Investment Opportunities Fund	India	100%	-	Financial Services
28	INDIAREIT Investment Management Co. \$\$	Mauritius	100%	-	Financial Services
29	Piramal Asset Management Private Limited \$\$	Singapore	100%	-	Financial Services
30	Piramal Capital International Limited \$\$	Mauritius	100%	-	Financial Services
31	Piramal Securities Limited	India	100%	-	Financial Services
32	Piramal Systems & Technologies Private Limited	India	100%	-	Holding Company
33	Piramal Technologies SA @	Switzerland	100%	-	Holding Company
34	PEL Finhold Private Limited	India	100%	-	Holding Company
35	Piramal Consumer Products Private Limited ***	India	100%	-	Holding Company
36	Piramal Pharma Limited ^	India	80%	20%	Pharmaceutical manufacturing and services
37	PEL Healthcare LLC (w.e.f. June 26, 2020)**	U.S.A	80%	20%	Pharmaceutical manufacturing and services
38	Piramal Finance Sales & Services Private Limited (w.e.f. September 9, 2020)****	India	100%	-	Financial Services
39	Viridis Power Investment Managers Private Limited (w.e.f. October 17, 2020)	India	100%	-	Financial Services
40	Viridis Infrastructure Investment Managers Private Ltd. (w.e.f. October 22, 2020)	India	100%	-	Financial Services
41	Convergence Chemicals Private Limited (subsidiary w.e.f. from February 24, 2021 and joint venture upto February 23, 2021)@@	India	80%	20%	Pharmaceutical manufacturing and services

\*\*\* Refer note 56(a)

\*\* held through Piramal Dutch Holdings N.V.

@ held through Piramal Systems & Technologies Private Limited

\$ held through Piramal Dutch IM Holdco B.V.

\$\$ held through Piramal Fund Management Private Limited

\*\*\*\* held through PHL Fininvest Private Limited

@@ held through Piramal Pharma Limited

**^ Note on Common control transactions with subsidiaries**

The Group undertook the following common control transactions:

The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had inter alia, approved:

a. the sale of the major line of pharmaceutical business ('Pharma Business'), including those held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Limited, wholly owned subsidiary of the Company ('PPL').

b. the strategic growth investment by 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 a 20% stake in the fresh equity capital of PPL.

This transaction was successfully closed on October 6th, 2020 on receipt of requisite approvals. As a result, PPL a subsidiary of the Company received Rs.3,523.40 crores as consideration towards 20% equity investment from CA Alchemy Investments. The excess of consideration received over the net assets of the Pharma business attributable to the Non-Controlling shareholder has been adjusted to Equity, in accordance with IND AS 110 "Consolidated Financial Statements".

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

The Group's subsidiaries at March 31, 2020 are set out below.

Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

The country of incorporation or registration is also their principal place of business.

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2020	% voting power held as at March 31, 2020	
1	PHL Fininvest Private Limited	India	100%	-	Financial Services
2	Searchlight Health Private Limited ***	India	51%	49%	Healthcare Insights and Analytics
3	Piramal International	Mauritius	100%	-	Holding Company
4	Piramal Holdings (Suisse) SA	Switzerland	100%	-	Holding Company
5	Piramal Critical Care Italia, S.P.A**	Italy	100%	-	Pharmaceutical manufacturing and services
6	Piramal Critical Care Deutschland GmbH**	Germany	100%	-	Pharmaceutical manufacturing and services
7	Piramal Critical Care Limited ** ##	U.K.	100%	-	Pharmaceutical manufacturing and services
8	Piramal Healthcare (Canada) Limited **	Canada	100%	-	Pharmaceutical manufacturing and services
9	Piramal Critical Care B.V. **	Netherlands	100%	-	Pharmaceutical manufacturing and services
10	Piramal Pharma Solutions B.V. **	Netherlands	100%	-	Pharmaceutical manufacturing and services
11	Piramal Critical Care Pty. Ltd. **	Australia	100%	-	Pharmaceutical manufacturing and services
12	Piramal Healthcare UK Limited **	U.K.	100%	-	Pharmaceutical manufacturing and services
13	Piramal Healthcare Pension Trustees Limited**	U.K.	100%	-	Pharmaceutical manufacturing and services
14	Piramal Critical Care South Africa (Pty) Ltd **	South Africa	100%	-	Pharmaceutical manufacturing and services
15	Piramal Dutch Holdings N.V.	Netherlands	100%	-	Holding Company
16	Piramal Healthcare Inc. **	U.S.A	100%	-	Holding Company
17	Piramal Critical Care, Inc. ** ##	U.S.A	100%	-	Pharmaceutical manufacturing and services
18	Piramal Pharma Inc.**	U.S.A	100%	-	Pharmaceutical manufacturing and services
19	Piramal Pharma Solutions Inc. **	U.S.A	100%	-	Pharmaceutical manufacturing and services
20	PEL Pharma Inc.**	U.S.A	100%	-	Holding Company
21	Ash Stevens LLC **	U.S.A	100%	-	Pharmaceutical manufacturing and services
22	DRG Holdco Inc. \$ ***	U.S.A	-	-	Holding Company
23	Piramal IPP Holdings LLC (Liquidated w.e.f December 31, 2019) \$ ***	U.S.A	-	-	Holding Company
24	Decision Resources Inc. \$ ***	U.S.A	-	-	Healthcare Insights and Analytics
25	Decision Resources International, Inc. \$ ***	U.S.A	-	-	Healthcare Insights and Analytics
26	DR/Decision Resources, LLC \$ ***	U.S.A	-	-	Healthcare Insights and Analytics
27	Millennium Research Group Inc. \$ ***	Canada	-	-	Healthcare Insights and Analytics
28	Decision Resources Group Asia Ltd \$ ***	Hong Kong	-	-	Healthcare Insights and Analytics
29	DRG UK Holdco Limited \$ ***	U.K.	-	-	Holding Company
30	Decision Resources Group UK Limited \$ ***	U.K.	-	-	Holding Company
31	Sigmatic Limited \$ ***	U.K.	-	-	Healthcare Insights and Analytics
32	DRG Analytics & Insights Private Limited ***	India	-	-	Healthcare Insights and Analytics
33	DRG Singapore Pte Ltd \$ ***	Singapore	-	-	Healthcare Insights and Analytics
34	Sharp Insight Limited \$ ***	U.K.	-	-	Healthcare Insights and Analytics
35	Decision Resources Japan K.K. (w.e.f. February 5, 2019) \$ ***	Japan	-	-	Healthcare Insights and Analytics
36	Piramal Dutch IM Holdco B.V.***	Netherlands	100%	-	Holding Company
37	PEL-DRG Dutch Holdco B.V.*** \$	Netherlands	100%	-	Holding Company
38	Piramal Capital and Housing Finance Limited	India	100%	-	Financial Services
39	Piramal Fund Management Private Limited	India	100%	-	Financial Services
40	Piramal Asset Management Private Limited	India	100%	-	Financial Services
41	Piramal Investment Advisory Services Private Limited	India	100%	-	Financial Services
42	Piramal Investment Opportunities Fund	India	100%	-	Financial Services
43	INDIAREIT Investment Management Co. \$\$	Mauritius	100%	-	Financial Services
44	Piramal Asset Management Private Limited \$\$	Singapore	100%	-	Financial Services
45	Piramal Capital International Limited \$\$	Mauritius	100%	-	Financial Services
46	Piramal Securities Limited	India	100%	-	Financial Services
47	Piramal Systems & Technologies Private Limited	India	100%	-	Holding Company
48	Piramal Technologies SA @	Switzerland	100%	-	Holding Company
49	PEL Finhold Private Limited	India	100%	-	Holding Company
50	Piramal Consumer Products Private Limited ***	India	100%	-	Holding Company
51	Piramal Pharma Limited (w.e.f. March 04, 2020)	India	100%	-	Pharmaceutical manufacturing and services

\*\*\* Refer note 56(a)

\*\* held through Piramal Dutch Holdings N.V.

@ held through Piramal Systems & Technologies Private Limited

\$ held through Piramal Dutch IM Holdco B.V.

\$\$ held through Piramal Fund Management Private Limited

\$\$\$ held through Sigmatic Limited

## Note on Common control transactions with subsidiaries

The Group undertook the following common control transaction:

On August 27, 2019, Piramal Critical Care Inc, Purchased the Intratecal Spasticity products and certain generic injectables from Piramal Critical Care Limited, (both step down subsidiaries of the Company) . As this was a transaction between entities under common control, the assets and liabilities transferred were recorded at carrying value of transferor's book.

**PIRAMAL ENTERPRISES LIMITED**
**Notes to the Consolidated financial statements for the year ended March 31, 2021**
**Interest in material subsidiary**

Summarized consolidated financial information in respect of the group's subsidiary that has material non-controlling interest is set out below. The summarized consolidated financial information below represents amounts as per Piramal Pharma Limited's consolidated financial statements.

**Summarized Balance Sheet:**

Particulars	(Rs. in Crores)	
	Piramal Pharma Ltd. As at March 31, 2021	
Current Assets	3,648.70	
Non - Current Assets	7,251.08	
Current Liabilities	2,490.28	
Non - Current Liabilities	2,804.50	
Equity Interest Attributable to Owners	4,484.00	
Non - Controlling Interest	1,121.00	

**Summarized Total Comprehensive Income:**

Particulars	(Rs. in Crores)	
	Piramal Pharma Ltd. For the year ended March 31, 2021	
Total Income	5,719.29	
Expenses (incl. tax expense)	5,124.45	
Profit for the year	594.84	
Total Comprehensive Income for the year	637.50	
Total Comprehensive Income attributable to the owners of the company	546.92	
Total Comprehensive Income attributable to the Non-Controlling Interest	90.58	

**Movement in Cash & Cash Equivalents:**

Particulars	(Rs. in Crores)	
	Piramal Pharma Ltd. For the year ended March 31, 2021	
Opening Cash & Cash Equivalents	225.81	
Closing Cash & Cash Equivalents	384.65	
Net Cash Inflow	158.84	

**(b) Interest in Joint Ventures**

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (Rs. in Crores)		% of ownership interest
			March 31, 2021	March 31, 2020	
1	Shrilekha Business Consultancy Private Limited (Joint venture) (Shrilekha Business Consultancy Limited)	India	3,700.50	3,461.34	74.95%

The above investments in joint ventures are accounted for using Equity Method. These are unlisted investments and hence quoted prices are not available.

**Significant judgement: classification of joint venture**
**Shrilekha Business Consultancy Private Limited**

The Group has a 74.95% interest in a joint venture called Shrilekha Business Consultancy Private Limited which was set up together with Shriram Ownership Trust to invest in Shriram Capital Limited. Shrilekha Business Consultancy Private Limited holds 26.68% in Shriram Capital Limited, thereby giving the Group an effective interest of 20%. The principal place of business of the joint venture is in India.

Significant financial information for Shrilekha Business Consultancy Private Limited has been provided below :

**Significant financial information:**
**Summarised Balance sheet as at:**

Particulars	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
Current assets	10.80	6.16
Non-current assets	4,151.56	3,859.73
Current liabilities	(0.07)	(20.04)
Non-current liabilities	(0.06)	(2.73)
<b>Net Assets</b>	<b>4,162.23</b>	<b>3,843.13</b>
<b>The above amounts of assets and liabilities include the following:</b>		
Cash and cash equivalents	0.11	6.15
Current financial liabilities (excluding trade payables)	(0.06)	(20.03)

**Summarised statement of profit and loss**

Particulars	(Rs. in Crores)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Income tax expense	0.31	0.04
Share of profit from associate	318.09	521.15
Profit for the year	319.09	522.12
Other comprehensive income/ (expense), (net of tax)	-	-
Total comprehensive income	319.09	522.12

**Reconciliation to carrying amounts as at:**

Particulars	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
Net assets	4,162.23	3,843.13
Group's share in %	74.95%	74.95%
Proportion of the Group's ownership interest	3,119.59	2,880.43
Goodwill	556.74	556.74
Dividend Distribution Tax	24.17	24.17
<b>Carrying amount</b>	<b>3,700.50</b>	<b>3,461.34</b>

**PIRAMAL ENTERPRISES LIMITED****Notes to the Consolidated financial statements for the year ended March 31, 2021****(c) Individually immaterial joint ventures**

The group has interests in the following individually immaterial joint ventures that are accounted for using the equity method:

Sr. No.	Name of the Company	Principal place of business	% of ownership interest
1	India Resurgence ARC Private Limited	India	50.00%
2	India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited) (IRAMBPL)	India	50.00%
3	Asset Resurgence Mauritius Manager	Mauritius	50.00%
4	Piramal Ivanhoe Residential Equity Fund 1	India	50.00%
5	India Resurgence Fund - Scheme - 2	India	50.00%
6	Convergence Chemicals Private Limited (Convergence) (subsidiary w.e.f. from February 24, 2021 and joint venture upto February 23, 2021)	India	80.00%
7	India Resurgence ARC Trust I (w.e.f 3 May 2019)	India	50.00%
8	Piramal Structured Credit Opportunities Fund (PSCOF) (w.e.f 26 February 2020)	India	25.00%

**Investment in India Resurgence ARC Private Limited**

India Resurgence ARC Private Limited was a wholly owned subsidiary of the Company till July 18, 2017. On July 19, 2017, the Company has entered into a joint venture agreement with Bain Capital Credit India Investments (a company existing under the laws of the Republic of Mauritius) to sell its shares to the latter.

The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence ARC Private Limited.

Hence with effect from July 19, 2017, the investment in India Resurgence ARC Private Limited is considered as investment in Joint Venture and accordingly this is accounted as per the equity method.

**Investment in India Resurgence Asset Management Business Private Limited**

India Resurgence Asset Management Business Private Limited was a wholly owned subsidiary of the Company till February 6, 2018. On February 7, 2018, the Company has entered into a joint venture agreement with Bain Capital Mauritius (a private limited company incorporated in Mauritius) to sell its shares to the latter.

The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence Asset Management Business Private Limited.

Hence with effect from February 7, 2018, the investment in India Resurgence Asset Management Business Private Limited is considered as investment in Joint Venture and accordingly this is accounted as per the equity method.

**Investment in Asset Resurgence Mauritius Manager**

Asset Resurgence Mauritius Manager is a Joint Venture between Bain Capital Credit Member LLC and Piramal Fund Management Private Limited.

Asset Resurgence Mauritius Manager was incorporated in the Republic of Mauritius as a private company under the Mauritius Companies Act 2001 on October 10, 2017 and holds a Category I Global Business License and a CIS Manager issued by the Financial Services Commission. The principal activity of Asset Resurgence Mauritius Manager is to provide investment management services.

**Investment in Piramal Ivanhoe Residential Equity Fund 1**

Piramal Ivanhoe Residential Equity Fund - 1 ('Fund') is a contributory determinate investment trust organised under the Indian Trust Act 1882 and has been registered with SEBI as Category II Alternative Investment Fund.

**Investment in India Resurgence Fund - Scheme - 2**

India Resurgence Fund, is a Category II, SEBI registered AIF which is managed by India Resurgence Asset Management Business Private Limited, a 50:50 joint venture between Piramal Enterprises Limited and Bain Capital. India Resurgence Fund is a trust which has been set up on March 2, 2017 and registered with SEBI on June 28, 2017. India Resurgence Fund has floated India Resurgence Fund Scheme 2 for investments into distressed to control investment opportunities.

**Convergence Chemicals Private Limited****Significant judgement: classification of joint venture**

Convergence Chemicals Private Limited ('CCPL') is a wholly owned subsidiary set up to develop, manufacture and sell speciality fluorochemicals.

The Group owned 51% equity shares of CCPL till 23rd February 2021. The contractual arrangement stated that PEL and the other shareholder shall nominate two directors each to the board and for any meeting of the board the quorum shall be two directors provided that one director from each party is present. This gave both the parties a joint control over CCPL. CCPL is a Private Limited Company whose legal form confers separation between the parties to the joint arrangement and the Company itself. Accordingly, the legal form of CCPL and the terms of the contractual arrangement indicated that the arrangement was a Joint Venture.

Effective 24th Feb 2021, the group, through its subsidiary, Piramal Pharma Ltd., has acquired the remaining 49% stake held by Navin Flourine International Ltd. in Convergence Chemicals Pvt. Ltd. for a cash consideration of Rs 65.10 Crore. Post this acquisition, CCPL is a wholly owned subsidiary of Piramal Pharma Ltd.

**India Resurgence ARC Trust I**

India Resurgence ARC Trust I ('the Trust') is declared as a Trust of India Resurgence ARC Private Limited in accordance with the Indian Trust Act, 1882 by way of a trust deed dated November 12, 2018. India Resurgence ARC Trust I is being managed by India Resurgence ARC Pvt Ltd (Trustee) and this trustee entity is joint venture between Bain Capital and Piramal Enterprise. Shareholding of Trustee entity is being held 50:50 by Bain Capital & Piramal Enterprise.

**Piramal Structured Credit Opportunities Fund**

Piramal Structured Credit Opportunities Fund' (the 'Fund') has been established under the provisions of the Indian Trust Act, 1882. The Fund has received approval from the Securities and Exchange Board of India on 10 February 2020 to carry on the activity of alternate investment fund by pooling together resources and finances from institutional and high net worth investors.

	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
<b>Aggregate carrying amount of individually immaterial joint ventures</b>	506.67	522.54
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations	59.43	46.43
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>59.43</b>	<b>46.43</b>



**PIRAMAL ENTERPRISES LIMITED**  
**Notes to the Consolidated financial statements for the year ended March 31, 2021**

**(d) Interest in Associates**

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (Rs. In Crores)		% of effective ownership interest
			March 31, 2021	March 31, 2020	
1	Allergan India Private Limited (Allergan)	India	109.67	194.37	39.20%

The above investment is accounted for using Equity Method. This is an unlisted investment and hence quoted prices are not available.

Allergan India Private Limited is mainly engaged in trading of ophthalmic products.

**Allergan India Private Limited**

**Significant judgement: classification of associate**

The Group owns 39.20% (Previous year 49%) equity shares of Allergan India Private Limited. As per the terms of the contractual agreement with Allergan Pharmaceuticals (Ireland) Limited, the company by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The company only has a right to participate in the policy making processes. Accordingly Allergan India Private Limited has been considered as an Associate.

**Significant financial information for associate**

**Summarised Balance sheet as at:**

Particulars	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
Current assets	255.70	385.40
Non-current assets	46.86	42.32
Current liabilities	(66.48)	(55.40)
Non-current liabilities	(13.40)	-
<b>Net Assets</b>	<b>222.69</b>	<b>372.32</b>

**Summarised statement of profit and loss for the year ended:**

Particulars	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
Revenue from Operations	365.35	379.50
Profit for the year	121.23	103.60
Other comprehensive income/ (expense)	-	-
Total comprehensive income	121.23	103.60
Dividends received	124.54	-

**Reconciliation to carrying amounts as at:**

Particulars	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
Net assets	222.69	372.32
Group's share in %	49%	49%
Proportion of the group's ownership interest	109.12	182.44
Others	0.55	(1.36)
Dividend Distribution Tax	-	13.29
<b>Carrying amount</b>	<b>109.67</b>	<b>194.37</b>

**Contingent liabilities as at:**

Particulars	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
Share of associate's contingent liabilities	-	-
- Claims against the company not acknowledged as debt	8.84	2.84
- Disputed demands for income tax, sales tax and service tax matters	1.75	16.99
<b>Total contingent liabilities</b>	<b>10.59</b>	<b>19.83</b>

**(e) Individually immaterial associates**

The group has interests in the following individually immaterial associates that are accounted for using the equity method:

No.	Name of the Company	Principal place of business
1	Bluebird Aero Systems Limited (ceased to be an associate w.e.f March 03, 2021)	Israel
2	Shriram Capital Limited	India

	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
<b>Aggregate carrying amount of individually immaterial associates</b>	<b>0.01</b>	<b>39.99</b>
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations	-	-
Other comprehensive income	-	-
<b>Total comprehensive income/ (Loss)</b>	<b>-</b>	<b>-</b>

**(f) Share of profits from Associates and Joint Venture for the year ended:**

Particulars	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
Share of profits from Joint Ventures	298.59	437.76
Share of profits from Associates	39.84	51.80
<b>Total share of profits from Associates and Joint Venture</b>	<b>338.43</b>	<b>489.56</b>

**40 Transfer of Financial Assets**

**Transferred financial assets that are not derecognised in their entirety**

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations/ Assignments	(Rs in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
Carrying amount of transferred assets measured at amortised cost	-	5,075
Carrying amount of associated liabilities measured at amortised cost	-	3,923
Fair value of assets	-	4,134
Fair value of associated liabilities	-	2,774
Net position at Fair value	-	1,360

In the previous year, the Group had entered into a securitization transaction with Catalyst Trusteeship Limited (unrelated and unconsolidated entity). The Group does not hold any equity or other interest and does not control this entity. The Group was exposed to first loss amounting to Rs 1,016.67 Crores (being 30%) of the amount securitised in addition to credit enhancement provided in the form of deposits is Rs 473.96 Crores and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables.

Accordingly, Loan portfolio assets of Rs 3,388.90 Crores are not derecognised and proceeds received of Rs 2,372.23 Crores is recorded as financial liability under Debt securities.

**PIRAMAL ENTERPRISES LIMITED****Notes to the Consolidated financial statements for the year ended March 31, 2021****41. Goodwill**

Movement in Goodwill on Consolidation during the year:

Particulars	(Rs. in Crores)	
	As at March 31, 2021	As at March 31, 2020
Opening balance	1,139.07	5,939.45
Less: Written off during the year ( Refer Note 56(b) and 37)	-	(5,096.98)
Add: Acquisition of Convergence Chemicals Pvt. Ltd. (Refer Note 58(ii))	8.08	-
Add: Currency translation differences	(32.87)	296.60
<b>Closing balance</b>	<b>1,114.28</b>	<b>1,139.07</b>

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or group of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment, which is represented through group of CGUs.

The following table presents the allocation of goodwill to reportable segments:

Particulars	(Rs. in Crores)	
	As at March 31, 2021	As at March 31, 2020
Pharmaceuticals	856.74	874.17
Financial Services	257.54	264.90
<b>Total</b>	<b>1,114.28</b>	<b>1,139.07</b>

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value - in - use.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider (a) the increase in economic uncertainties due to COVID-19, (b) reassessment of the discount rates, (c) revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

As of March 31, 2021 and March 31, 2020, the recoverable amount was computed using the discounted cash flow method for which the estimated cash flows for a period of 5 years in the Pharmaceuticals and Financial Services segment were developed using internal forecasts, and a pre-tax discount rate of 10% to 13.50% respectively. The cash flows beyond 5 years have been extrapolated assuming 3% to 5% growth rates, depending on the cash generating unit and the country of operations.

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

Based on the above, no impairment was identified as of March 31, 2021 and March 31, 2020 as the recoverable value of the segments exceeded the carrying values.

**42 Employee Benefits :**

Brief description of the Plans:

Other Long Term Employee Benefit Obligations:

Leave Encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise.

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

Defined Contribution plans:

The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Overseas Social Security Plans, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and 401(k) plan contribution(in case of US subsidiaries). The Group has no further obligation beyond making contributions to such plans.

Post-employment benefit plans:

Gratuity for employees in India is paid as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans.

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

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

In case of a foreign subsidiary, the subsidiary sponsors a defined benefit retirement plan. The benefits are based on employees' years of experience and final remuneration. The plan was funded through a separate trustee-administered fund. The pension cost for the main defined plans is established in accordance with the advice of independent qualified actuary. This fund was closed to future accrual of benefits with effect from November 15, 2017 and there are no active members.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, equity, mutual funds and other debt instruments.

**Interest risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident fund trust are governed by local regulations, including limits on contributions in each class of investments.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and corporate bonds, although the Group also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

In case of an overseas subsidiary, the pension plans were funded through a separate trustee - administered fund. The subsidiary employs a building block approach in determining the long term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles.

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

Particulars	(Rs. in Crores)	
	Year Ended	
	March 31, 2021	March 31, 2020
Employer's contribution to Regional Provident Fund Office	12.01	13.20
Employer's contribution to Superannuation Fund	0.24	0.26
Employer's contribution to Employees' State Insurance	0.56	0.70
Employer's contribution to Employees' Pension Scheme 1995	5.28	5.42
Contribution to Pension Fund	47.23	44.10
401 (k) Plan contribution	27.43	43.78
<b>TOTAL</b>	<b>92.75</b>	<b>107.46</b>

Included in Contribution to Provident and Other Funds and R&D Expenses disclosed under Other Expenses (Refer Note 34 and 36)

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

A. Change in Defined Benefit Obligation

Particulars	(Rs. in Crores)							
	(Funded)				(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
2021	2020	2021	2020	2021	2020	2021	2020	
Present Value of Defined Benefit Obligation as at beginning of the year	67.89	62.53	592.65	525.02	270.77	233.66	16.50	12.86
Transfer of Liability from Non funded to Funded	16.50	-	-	-	-	-	(16.50)	-
Interest Cost	4.97	4.57	12.54	15.30	23.06	20.78	-	0.96
Current Service Cost	6.06	4.23	-	-	11.97	12.22	-	2.89
Past Service Cost	-	-	-	-	-	-	-	-
Contributions from plan participants	-	-	-	-	21.85	20.81	-	-
Liability Transferred In for employees joined	-	0.24	-	-	13.19	8.60	-	-
Liability Transferred Out for employees left	-	(0.25)	-	-	-	-	-	-
Liability acquired on acquisition of a subsidiary	0.05	-	-	-	-	-	-	-
Benefits Paid	(9.45)	(3.50)	(30.20)	(31.99)	(28.32)	(25.30)	-	(1.20)
Reduction on disposal of discontinued operations	-	(2.54)	-	-	-	-	-	-
(Gains)/Losses on Curtailment	-	-	-	-	-	-	-	-
Actuarial (Gains)/loss - due to change in Demographic Assumptions	(0.44)	-	-	-	-	-	-	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	0.33	2.32	82.44	67.69	-	-	-	1.21
Actuarial (Gains)/loss - due to experience adjustments	3.90	0.29	-	-	(0.10)	-	-	(0.22)
Exchange Differences on Foreign Plans	-	-	46.66	16.63	-	-	-	-
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>89.81</b>	<b>67.89</b>	<b>704.09</b>	<b>592.65</b>	<b>312.42</b>	<b>270.77</b>	<b>-</b>	<b>16.50</b>

B. Changes in the Fair Value of Plan Assets

Particulars	(Rs. in Crores)							
	(Funded)				(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
2021	2020	2021	2020	2021	2020	2021	2020	
Fair Value of Plan Assets as at beginning of the year	23.01	25.76	743.08	678.48	270.77	233.66	-	-
Interest Income	2.92	1.93	15.73	19.84	23.06	20.78	-	-
Contributions from employer	47.70	-	-	-	33.82	33.03	-	-
Contributions from plan participants	-	-	-	-	-	-	-	-
Asset acquired on acquisition of a subsidiary	0.53	-	-	-	-	-	-	-
Assets Transferred In for employees joined	-	-	-	-	13.19	8.60	-	-
Reduction on disposal of discontinued operations	-	(0.58)	-	-	-	-	-	-
Benefits Paid from the fund	8.01	(3.50)	(30.20)	(31.99)	(28.32)	(25.30)	-	-
Return on Plan Assets, Excluding Interest Income	0.10	(0.60)	95.52	58.85	(0.10)	-	-	-
Administration cost	-	-	(5.36)	(3.59)	-	-	-	-
Exchange Differences on Foreign Plans	-	-	58.50	21.49	-	-	-	-
<b>Fair Value of Plan Asset as at the end of the year</b>	<b>66.25</b>	<b>23.01</b>	<b>877.27</b>	<b>743.08</b>	<b>312.42</b>	<b>270.77</b>	<b>-</b>	<b>-</b>

C. Amount recognised in the Balance Sheet

Particulars	(Rs. in Crores)							
	(Funded)				(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
2021	2020	2021	2020	2021	2020	2021	2020	
Present Value of Defined Benefit Obligation as at the end of the year	89.81	67.89	704.09	592.65	312.42	270.77	-	16.50
Fair Value of Plan Assets As at end of the year	66.25	23.01	877.27	743.08	312.42	270.77	-	-
Funded Status	-	-	(173.18)	(150.43)	-	-	-	-
Asset Ceiling	-	-	173.18	150.43	-	-	-	-
Effect of currency translations	-	-	-	-	-	-	-	-
<b>Net Liability recognised in the Balance Sheet (Refer Notes 20 and 26)</b>	<b>23.56</b>	<b>44.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.50</b>

Particulars	(Rs. in Crores)							
	(Funded)				(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
2021	2020	2021	2020	2021	2020	2021	2020	
Recognised under:								
Non Current provision (Refer Note 20)	23.56	44.88	-	-	-	-	-	16.20
Current provision (Refer Note 26)	-	-	-	-	-	-	-	0.30

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

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

D. Expenses recognised in Consolidated Statement of Profit and Loss

Particulars	(Rs. in Crores)							
	(Funded)				(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
2021	2020	2021	2020	2021	2020	2021	2020	
Current Service Cost	6.06	4.23	-	-	11.97	12.22	-	2.89
Past Service Cost	-	-	-	-	-	-	-	-
Net interest Cost	2.05	2.64	-	-	-	-	-	0.96
(Gains)/Losses on Curtailments and settlements	-	-	-	-	-	-	-	-
<b>Total Expenses / (Income) recognised in the Statement of Profit and Loss*</b>	<b>8.11</b>	<b>6.87</b>	<b>-</b>	<b>-</b>	<b>11.97</b>	<b>12.22</b>	<b>-</b>	<b>3.85</b>

\*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Research and Development Expenses (Refer Note 34 and 36)

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

Particulars	(Rs. in Crores)							
	Gratuity		(Funded) Pension		Provident Fund		(Non-Funded) Gratuity	
	Year Ended March 31, 2021	2020	Year Ended March 31, 2021	2020	Year Ended March 31, 2021	2020	Year Ended March 31, 2021	2020
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	(0.44)	-	-	-	-	-	-	-
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	0.33	2.32	82.44	67.69	-	-	-	1.21
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	3.90	0.29	-	-	-	-	-	(0.22)
Return on Plan Assets, Excluding Interest Income	(0.10)	0.60	(95.52)	(58.85)	-	-	-	-
Change in Asset Ceiling	-	-	13.08	(8.84)	-	-	-	-
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>3.69</b>	<b>3.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.99</b>

**F. Significant Actuarial Assumptions:**

Particulars	Figures in (%)							
	Gratuity		(Funded) Pension		Provident Fund		(Non-Funded) Gratuity	
	As at March 31, 2021	2020	As at March 31, 2021	2020	As at March 31, 2021	2020	As at March 31, 2021	2020
Discount Rate (per annum)	6.26% to 6.57%	6.56	1%	2%	6.49%	6.56	NA	6.56-6.59
Salary escalation rate	6% to 10%	9% for 3 years then 6%	NA	NA	NA	NA	NA	9.00
Expected Rate of return on Plan Assets (per annum)	6.26% to 6.57%	6.56	2%	2%	6.49%	6.56	NA	-

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

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

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

Particulars	(Rs. in Crores)					
	Gratuity		(Funded) Pension		(Non-Funded) Gratuity	
	As at March 31, 2021	2020	As at March 31, 2021	2020	As at March 31, 2021	2020
Opening Net Liability/(asset)	44.88	36.77	-	-	16.50	12.86
Transfer of Liability from Non funded to Funded	16.50	-	-	-	(16.50)	-
Expenses Recognized in Statement of Profit or Loss	8.11	6.87	-	-	-	3.85
Expenses Recognized in OCI	3.69	3.21	-	-	-	0.99
Exchange Fluctuation	-	-	-	-	-	-
Net Liability/(Asset) Transfer In	-	0.24	-	-	-	-
Net (Liability)/Asset Transfer Out	-	(0.25)	-	-	-	-
Balance in relation to the discontinued operations	-	(1.96)	-	-	-	-
Net asset added on acquisition of subsidiary	(0.48)	-	-	-	-	-
Benefit Paid Directly by the Employer	(1.44)	-	-	-	-	(1.20)
Employer's Contribution	(47.70)	-	-	-	-	-
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>23.56</b>	<b>44.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.50</b>

**H. Category of Assets**

Particulars	(Rs. in Crores)					
	Gratuity		(Funded) Pension		Provident Fund	
	As at March 31, 2021	2020	As at March 31, 2021	2020	As at March 31, 2021	2020
Government of India Assets (Central & State)	21.77	9.44	-	-	135.68	113.45
Public Sector Unit Bonds	-	-	-	-	21.06	18.33
Debt Instruments	-	-	596.55	485.34	-	-
Corporate Bonds	18.01	9.85	-	-	98.54	87.29
Fixed Deposits under Special Deposit Schemes of Central Government*	2.85	1.29	-	-	28.59	28.22
Insurance fund*	18.01	-	-	-	-	-
Equity Shares of Listed Entities/ Mutual funds	4.98	2.35	-	-	22.86	20.43
Global Equities	-	-	280.72	257.73	-	-
Others*	0.63	0.08	-	-	5.69	3.05
<b>Total</b>	<b>66.25</b>	<b>23.01</b>	<b>877.27</b>	<b>743.07</b>	<b>312.42</b>	<b>270.77</b>

\* Except these, all the other investments are quoted.

**I. Other Details**

**Funded Gratuity**

Particulars	(Rs. In crores)	
	As at March 31, 2021	As at March 31, 2020
Number of Active Members	4,701	4,122
Per Month Salary For Active Members	18.53	12.45
Average Expected Future Service (Years)	7 to 8 Years	8 Years
Projected Benefit Obligation (PBO) (Rs. In crores)	90.32	67.89
<b>Prescribed Contribution For Next Year (12 Months) (Rs. In crores)</b>	<b>17.92</b>	<b>12.45</b>

**J. Cash Flow Projection: From the Fund**

Projected Benefits Payable in Future Years From the Date of Reporting	(Rs. In crores)	
	Estimated for the year ended March 31, 2021	Estimated for the year ended March 31, 2020
1st Following Year	19.91	20.96
2nd Following Year	6.01	4.52
3rd Following Year	8.93	4.52
4th Following Year	8.02	4.77
5th Following Year	7.66	5.28
Sum of Years 6 To 10	35.66	24.53

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

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

Weighted average duration of the defined benefit obligation is in the range of 7 -11 years (Previous year 7 -9 years )

**K. Sensitivity Analysis**

Projected Benefit Obligation	(Rs. in crores)					
	Gratuity - Funded		Pension - Funded		Gratuity - Non Funded	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Impact of +1% Change in Rate of Discounting	(5.32)	(3.17)	-	-	NA	(1.12)
Impact of -1% Change in Rate of Discounting	5.32	3.57	-	-	NA	1.28
Impact of +1% Change in Rate of Salary Increase	5.27	3.52	-	-	NA	1.23
Impact of -1% Change in Rate of Salary Increase	(4.72)	(3.19)	-	-	NA	(1.11)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

The liability for Long term Service Awards (Non - Funded) as at year end is Rs. 3.14 crores (Previous year - Rs. 2.73 Crores)

The liability for Leave Encashment (Non - Funded) as at year end is Rs. 55.04 Crores (Previous year Rs. 53.65 Crores)

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

**43 Related Party Disclosures**

**1. List of related parties**

**A. Controlling Entities**

The Ajay G. Piramal Foundation @  
 Piramal Phytocare Limited Senior Employees Option Trust @\*  
 The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal @  
 Aasan Info Solutions (India) Private Limited @  
 Piramal Welfare Trust through its Trustee, Piramal Corporate Services Limited @  
 PRL Reakors LLP @  
 Anand Piramal Trust @  
 Nandini Piramal Trust @  
 V3 Designs LLP @

@There are no transactions during the year.

\*during the previous year it became non promoter- non public.

**B. Subsidiaries - Refer Note 39 (a) for list of subsidiaries.**

**C. Other related parties**

**Entities controlled by Key Management Personnel\*:**

Aasan Corporate Solutions Private Limited (Aasan Corporate Solutions)  
 Gopikrishna Piramal Memorial Hospital (GPMH)  
 Piramal Corporate Services Limited (PCSL)  
 Brickex Advisors Private Limited  
 Piramal Glass Limited (PGL)  
 Piramal Glass USA Inc.  
 PRL Developers Private Limited (PRL)  
 PRL Agastya Private Limited  
 Piramal Trusteeship Services Private Limited  
 Piramal Estates Private Limited  
 Glider Buildcon Reakors Private Limited  
 Ansa Deco Glass Private Limited (till March 30, 2021)  
 Piramal Glass Ceylon Limited

\*where there are transactions during the current or previous year

**Employee Benefit Trusts**

Staff Provident Fund of Piramal Healthcare Limited (PPFT)  
 Piramal Pharma Limited Employees PF Trust (PPLFT)

**D. Associates and Joint Ventures - Refer Note 39(b), (c) & (d)**

**E. Other Intermediaries**

Shriram Transport Finance Company Limited (Shriram Transport) (upto June 17, 2019)  
 Shriram City Union Finance Limited (Shriram City Union)

**F. Key Management Personnel**

Mr. Ajay G. Piramal  
 Dr. (Mrs.) Swati A. Piramal  
 Ms. Nandini Piramal  
 Mr. Vijay Shah (resigned from being a Whole-Time Director and continued as Non-Executive Non-Independent Director of the Company w.e.f. May 11, 2020)  
 Mr. Rajesh Laddha (w.e.f. May 11, 2020)

**G. Relatives of Key Management Personnel**

Mr. Anand Piramal [Son of Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal]  
 Mr. Peter De Young [Husband of Ms. Nandini Piramal]

**H. Non Executive/Independent Directors**

Dr. R.A. Mashelkar (Resigned w.e.f. October 28, 2020)  
 Mr. Gautam Bnaerjee  
 Mr. Goverdhan Mehta (Resigned w.e.f. October 28, 2020)  
 Mr. N. Vaghul  
 Mr. S. Ramadorai  
 Mr. Deepak Satwalekar  
 Mr. Keki Dadiseth (Resigned w.e.f. October 28, 2020)  
 Mr. Siddhath N Mehta (Resigned w.e.f. February 04, 2020)  
 Mrs. Arundhati Bhattacharya (w.e.f. October 25, 2018 and resigned w.e.f. April 16, 2020)  
 Mr. Kunal Bahl (appointed w.e.f. October 14, 2020)  
 Mr. Suhail Nathani (appointed w.e.f. October 14, 2020)  
 Ms. Anjali Bansal (appointed w.e.f. November 19, 2020)

**2. Details of transactions with related parties**

(Rs. in Crores)

Details of Transactions#	Joint Ventures		Associates and its Subsidiaries		Other Related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Purchase of Goods</b>								
- Piramal Glass Limited	-	-	-	-	4.66	5.43	4.66	5.43
- Piramal Glass USA Inc.	-	-	-	-	5.90	5.43	5.90	5.43
- Convergence	102.90	102.96	-	-	-	-	102.90	102.96
- Others	-	-	-	-	-	0.02	-	0.02
<b>TOTAL</b>	<b>102.90</b>	<b>102.96</b>	<b>-</b>	<b>-</b>	<b>10.56</b>	<b>10.88</b>	<b>113.46</b>	<b>113.84</b>
<b>Sale of Goods</b>								
- Allergan	-	-	57.18	80.33	-	-	57.18	80.33
- Convergence	1.23	-	-	-	-	-	1.23	-
<b>TOTAL</b>	<b>1.23</b>	<b>-</b>	<b>57.18</b>	<b>80.33</b>	<b>-</b>	<b>-</b>	<b>58.41</b>	<b>80.33</b>
<b>Rendering of Services</b>								
- Allergan	-	-	-	1.50	-	-	-	1.50
- Piramal Glass Limited	-	-	-	-	0.98	0.27	0.98	0.27
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.50</b>	<b>0.98</b>	<b>0.27</b>	<b>0.98</b>	<b>1.77</b>
<b>Receiving of services</b>								
- PRL Agastya Private Limited	-	-	-	-	6.00	6.04	6.00	6.04
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.00</b>	<b>6.04</b>	<b>6.00</b>	<b>6.04</b>
<b>Royalty Expense</b>								
- Piramal Corporate Services Limited	-	-	-	-	87.24	55.11	87.24	55.11
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87.24</b>	<b>55.11</b>	<b>87.24</b>	<b>55.11</b>
<b>Rent Expense</b>								
- Gopikrishna Piramal Memorial Hospital (GPMH)	-	-	-	-	1.01	0.85	1.01	0.85
- Aasan Corporate Solutions	-	-	-	-	25.41	28.40	25.41	28.40
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.42</b>	<b>29.25</b>	<b>26.42</b>	<b>29.25</b>
<b>Professional Fees</b>								
- Piramal Trusteeship Services Private Limited	-	-	-	-	0.03	0.09	0.03	0.09
- Piramal Structured Credit Opportunities Fund	0.14	0.23	-	-	-	-	0.14	0.23
<b>TOTAL</b>	<b>0.14</b>	<b>0.23</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>0.09</b>	<b>0.17</b>	<b>0.32</b>



**PIRAMAL ENTERPRISES LIMITED**  
Notes to the Consolidated financial statements for the year ended March 31, 2021

**2. Details of transactions with related parties (Continued)**

Details of Transactions#	(Rs. in Crores)							
	Joint Ventures		Associates and its Subsidiaries		Other Related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Guarantee Commission Income</b>								
- Convergence	0.15	0.26	-	-	-	-	0.15	0.26
<b>TOTAL</b>	<b>0.15</b>	<b>0.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>0.26</b>
<b>Reimbursements of expenses recovered</b>								
- Piramal Glass Limited	-	-	-	-	0.07	0.82	0.07	0.82
- Piramal Glass USA Inc.	-	-	-	-	-	0.89	-	0.89
- Aasan Corporate Solutions	-	-	-	-	-	1.75	-	1.75
- Convergence	0.02	0.12	-	-	-	-	0.02	0.12
- PRL Developers	-	-	-	-	0.06	0.15	0.06	0.15
- India Resurgence Asset Management Business Private Limited	0.31	2.40	-	-	-	-	0.31	2.40
- Ansa Decoglass Private Limited	-	-	-	-	0.07	0.07	0.07	0.07
- Glider Buildcon Realtors Private Limited	-	-	-	-	0.11	0.14	0.11	0.14
- PRL Agastya Private Limited	-	-	-	-	0.01	-	0.01	-
- Piramal Estates	-	-	-	-	0.05	-	0.05	-
- Others	-	-	-	-	-	0.43	-	0.43
<b>TOTAL</b>	<b>0.33</b>	<b>2.52</b>	<b>-</b>	<b>-</b>	<b>0.37</b>	<b>4.25</b>	<b>0.70</b>	<b>6.77</b>

Details of Transactions #	(Rs. in Crores)							
	Joint Ventures		Associates and its Subsidiaries		Other Related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Reimbursements of expenses paid</b>								
- Aasan Corporate Solutions	-	-	-	-	0.62	1.77	0.62	1.77
- Brickex Advisors Private Limited	-	-	-	-	21.76	9.47	21.76	9.47
- India Resurgence Asset Management Business Private Limited	-	1.91	-	-	-	-	-	1.91
<b>TOTAL</b>	<b>-</b>	<b>1.91</b>	<b>-</b>	<b>-</b>	<b>22.39</b>	<b>11.24</b>	<b>22.39</b>	<b>13.15</b>
<b>Sale of Land</b>								
- Ansa Decoglass Private Limited	-	-	-	-	-	0.02	-	0.02
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.02</b>	<b>-</b>	<b>0.02</b>
<b>Security deposit placed</b>								
- Aasan Corporate Solutions	-	-	-	-	-	1.85	-	1.85
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.85</b>	<b>-</b>	<b>1.85</b>
<b>Security deposit refunded</b>								
- Aasan Corporate Solutions	-	-	-	-	-	2.11	-	2.11
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.11</b>	<b>-</b>	<b>2.11</b>
<b>Advance given for acquisition of assets</b>								
- Piramal Glass Limited	-	-	-	-	-	346.92	-	346.92
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>346.92</b>	<b>-</b>	<b>346.92</b>
<b>Refund of advance given for acquisition of assets</b>								
- Piramal Glass Limited	-	-	-	-	-	346.92	-	346.92
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>346.92</b>	<b>-</b>	<b>346.92</b>
<b>Dividend Income</b>								
- Shrilekha Business Consultancy	-	-	-	78.73	-	-	-	78.73
- Shirram City Union	-	-	6.16	14.48	-	-	6.16	14.48
- Allergan	-	-	124.54	-	-	-	124.54	-
- India Resurgence Fund - Scheme 2	20.76	18.23	-	-	-	-	20.76	18.23
- PSCOF	5.70	0.51	-	-	-	-	5.70	0.51
<b>TOTAL</b>	<b>26.46</b>	<b>18.74</b>	<b>130.70</b>	<b>93.21</b>	<b>-</b>	<b>-</b>	<b>157.16</b>	<b>111.95</b>
<b>Finance granted /(repayments) - Net (including loans and Equity contribution in cash or in kind)</b>								
- Convergence	(11.00)	(4.50)	-	-	-	-	(11.00)	(4.50)
- India Resurgence Asset Management Business Private Limited	(7.53)	5.00	-	-	-	-	(7.53)	5.00
- IRAPL	-	3.00	-	-	-	-	-	3.00
- Piramal Ivanhoe Residential Equity Fund 1	-	(6.78)	-	-	-	-	-	(6.78)
- India Resurgence Fund - Scheme 2	(17.03)	29.13	-	-	-	-	(17.03)	29.13
- India Resurgence ARC Trust 1	(5.26)	53.95	-	-	-	-	(5.26)	53.95
- PSCOF	14.91	36.01	-	-	-	-	14.91	36.01
<b>TOTAL</b>	<b>(25.91)</b>	<b>115.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25.91)</b>	<b>115.81</b>
<b>Investment in Debentures</b>								
- India Resurgence Asset Management Business Private Limited	-	22.50	-	-	-	-	-	22.50
<b>TOTAL</b>	<b>-</b>	<b>22.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.50</b>
<b>Interest received on loans/investments</b>								
- Convergence	1.70	2.70	-	-	-	-	1.70	2.70
- Piramal Glass Limited	-	0.57	-	-	-	-	-	0.57
<b>TOTAL</b>	<b>1.70</b>	<b>3.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.70</b>	<b>3.27</b>
<b>Contribution to Funds</b>								
- PPFT	-	-	-	-	19.77	32.41	19.77	32.41
- PPLFT	-	-	-	-	8.78	-	8.78	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.55</b>	<b>32.41</b>	<b>28.55</b>	<b>32.41</b>

All the 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 year was as follows:

Particulars	(Rs. in Crores)	
	2021	2020
Short-term employee benefits (excluding perquisites)	15.92	33.04
Post-employment benefits	1.59	3.13
Other long-term benefits	0.15	0.53
Commission and other benefits to non-executive/independent directors	3.73	1.09
<b>Total</b>	<b>21.39</b>	<b>37.73</b>

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee.

# Excludes transactions with related parties in their capacity as shareholders.

3. Balances of related parties.

(Rs. in Crores)

Account Balances	Joint Ventures		Associates and its Subsidiaries		Other Related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Trade Receivables</b>								
- Brickex Advisors Private Limited	-	-	-	-	0.91	1.53	0.91	1.53
- Aasan Corporate Solutions	-	-	-	-	5.92	6.83	5.92	6.83
- Allergan	-	-	13.59	9.44	-	-	13.59	9.44
- PRL Agastya Private Limited	-	-	-	-	0.03	0.38	0.03	0.38
- Others	-	-	-	-	-	0.24	-	0.24
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>13.59</b>	<b>9.44</b>	<b>6.86</b>	<b>8.98</b>	<b>20.45</b>	<b>18.42</b>
<b>Advance to Vendor</b>								
- Piramal Glass Limited	-	-	-	-	1.72	1.72	1.72	1.72
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.72</b>	<b>1.72</b>	<b>1.72</b>	<b>1.72</b>
<b>Loans and Advances</b>								
- Convergence	-	24.50	-	-	-	-	-	24.50
<b>TOTAL</b>	<b>-</b>	<b>24.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.50</b>
<b>Long-Term Financial Assets</b>								
- Aasan Corporate Solutions	-	-	-	-	7.28	7.28	7.28	7.28
- Piramal Corporate Services Limited	-	-	-	-	1.78	-	1.78	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.06</b>	<b>7.28</b>	<b>9.06</b>	<b>7.28</b>
<b>Investments in Debentures</b>								
- India Resurgence Asset Management Business Private Limited	17.03	22.50	-	-	-	-	17.03	22.50
<b>TOTAL</b>	<b>17.03</b>	<b>22.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.03</b>	<b>22.50</b>
<b>Trade Payables</b>								
- Piramal Glass USA Inc	-	-	-	-	0.21	0.66	0.21	0.66
- Piramal Glass Limited	-	-	-	-	0.06	0.36	0.06	0.36
- Piramal Corporate Services Limited	-	-	-	-	15.61	9.52	15.61	9.52
- Aasan Corporate Solutions	-	-	-	-	0.11	0.14	0.11	0.14
- Brickex Advisors Private Limited	-	-	-	-	0.09	-	0.09	-
- Convergence	-	14.98	-	-	-	-	-	14.98
<b>TOTAL</b>	<b>-</b>	<b>14.98</b>	<b>-</b>	<b>-</b>	<b>16.08</b>	<b>10.68</b>	<b>16.08</b>	<b>25.66</b>
<b>Current Account balances with related parties</b>								
- Piramal Glass Limited	-	-	-	-	0.45	(0.59)	0.45	(0.59)
- India Resurgence Asset Management Business Private Limited	0.36	(0.04)	-	-	-	-	0.36	(0.04)
- Convergence	-	0.07	-	-	-	-	-	0.07
- PRL Developers	-	-	-	-	0.29	0.24	0.29	0.24
- Glider Buildcon Realtors Private Limited	-	-	-	-	0.30	0.17	0.30	0.17
- Others	-	-	-	-	0.11	0.06	0.11	0.06
<b>TOTAL</b>	<b>0.36</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>1.15</b>	<b>(0.12)</b>	<b>1.51</b>	<b>(0.09)</b>

All outstanding balances are unsecured and are repayable in cash.

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

44 Property, Plant & Equipment, Brands and Trademarks, Investment in Non Convertible Debentures, Inter Corporate Deposits and Other Financial Assets are mortgaged / hypothecated to the extent of Rs. 39,121.92 Crores (As on March 31, 2020 Rs. 33,036.28 Crores) as a security against long term secured borrowings as at March 31, 2021.

Plant & Equipment, Inventories, Trade receivables, Investment in Non Convertible Debentures and Inter Corporate Deposits are hypothecated as a security to the extent of Rs. 754.28 Crores (As on March 31, 2020 Rs. 6,296.39 Crores) against short term secured borrowings as at March 31, 2021.

45 Earnings Per Share (EPS) - EPS is calculated by dividing the profit/ (loss) attributable to the owners of Piramal Enterprises Limited by the weighted average number of equity shares outstanding during the year. The earnings and weighted average numbers of equity shares used in calculating basic and diluted earnings per equity share are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Basic EPS for the year (Rs.)</b>		
From continuing operations	56.19	(26.25)
From discontinued operations	-	27.39
<b>Total basic EPS</b>	<b>56.19</b>	<b>1.14</b>
<b>Diluted EPS for the year (Rs.)</b>		
From continuing operations	55.68	(26.25)
From discontinued operations	-	27.39
<b>Total diluted EPS</b>	<b>55.68</b>	<b>1.14</b>
Face value per share (Rs.)	2.00	2.00

The Profit/ (Loss) attributable to the owners of Piramal Enterprises Limited and weighted average number of equity shares used in calculation of basic and diluted earnings per share are as follows:

(a) Profit/ (Loss) attributable to the owners of Piramal Enterprises Limited used in calculation of basic and diluted earnings per share

(Rs. In Crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Profit/ (Loss) from continuing operations attributable to owners of Piramal Enterprises Limited	1,332.34	(553.31)
2. Profit/ (Loss) from discontinued operations attributable to owners of Piramal Enterprises Limited	-	577.34
3. Profit for the year attributable to owners of Piramal Enterprises Limited (1+2)	1,332.34	24.03

(b) Weighted average number of shares used in calculation of basic and diluted earnings per share

(Number of shares)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Weighted Average Number of Equity Shares for calculating Basic EPS (nos.)	23,71,27,756	21,07,72,008
2. Weighted Average Potential Equity Shares in respect of right shares reserved for CCD holders and right shares held in abeyance (nos.)	21,43,733	8,92,700
3. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) (1+2)	23,92,71,489	21,16,64,708

The following additional information is presented to disclose the effect on net profit/ (loss) from continuing operations after tax and share of profits of associates and joint ventures, Basic and Diluted EPS, without the effect of tax adjustment of prior years (Refer note 52).

(Rs. in Crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit / (Loss) from continuing operations after tax and share of profit of associates and joint ventures</b>		
As reported in the consolidated financial statements	1,332.34	(553.31)
Add: Impact of Tax adjustment of prior years (Refer Note 52)	1,258.29	1,757.59
<b>Adjusted Profit from continuing operations after tax and share of profit of associates and joint ventures</b>	<b>2,590.63</b>	<b>1,204.28</b>
Basic EPS for the period (Rs.)		
As reported in the consolidated financial statements	56.19	(26.25)
Add: Impact of Tax adjustment of prior years (Refer Note 52)	53.06	83.39
<b>Adjusted Basic EPS</b>	<b>109.25</b>	<b>57.14</b>
Diluted EPS for the period (Rs.)		
As reported in the consolidated financial statements	55.68	(26.25)
Add: Impact of Tax adjustment of prior years (Refer Note 52)	52.59	83.15
<b>Adjusted Diluted EPS</b>	<b>108.27</b>	<b>56.90</b>

46 (a) The Group conducts research and development to find new sustainable chemical routes for pharmaceutical & herbal products. The Group is undertaking development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients. The Group's research and development centers are 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;

(Rs. in Crores)

Description	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue Expenditure*</b>	102.99	112.42
<b>TOTAL</b>	<b>102.99</b>	<b>112.42</b>
<b>Capital Expenditure, Net</b>		
Additions to Property Plant & Equipments	11.51	4.27
Additions to Intangibles under Development	6.91	7.30
<b>TOTAL</b>	<b>18.42</b>	<b>11.57</b>

\* The amount included in Note 36, under R & D Expenses (Net) does not include Rs. 79.30 Crores (Previous Year Rs. 81.54 Crores) relating to Ahmedabad location.

(b) In addition to the above, R & D Expenses (Net) included under Note 36 "Other Expenses" also includes other R & D expenditure incurred by the Group.

47 The Consolidated results for the year ended March 31, 2021 includes the results for Piramal Critical Care Italia S.P.A, Piramal Holdings (Suisse) SA, Piramal Technologies SA, Piramal Critical Care Deutschland GmbH, Piramal Critical Care BV, Piramal Dutch Holdings N.V., Piramal Critical Care Pty Limited, Piramal Critical Care South Africa (Pty) Ltd, Piramal Pharma Solutions B.V, PEL Pharma Inc, Piramal Dutch IM Holdco BV, PEL DRG Dutch Holdco BV and Piramal Healthcare LLC based on audited accounts upto their respective financial year ending December 31, 2020 and management estimates prepared by respective Company's Management for the interim period ending March 31, 2021. The results of Piramal International, Allergan India Private Limited, Piramal Capital International Limited, India Resurgence Asset Management Business Private Limited, Asset Resurgence Mauritius Manager, India resurgence Fund Scheme II, India Resurgence ARC Private Limited, Piramal Ivanhoe Residential Equity Fund, India Resurgence ARC Trust I, Viridis Power Investment Managers Private Limited, Viridis Infrastructure Investment Managers Private Limited and Piramal Structured Credit Opportunities Fund are based on management estimates for the year ended March 31, 2021 as audited results were unavailable. The combined Revenues from operations for the year ended March 31, 2021 for all the above companies is Rs. 373.32 Crores. The combined profit (net) for the year ended March 31, 2021 for all the above companies to the Consolidated Profit and Loss is Rs. 39.46 Crores.

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

**48 Capital Management**

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 18, 23 and 24 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through convertible and non convertible debt securities or other long-term /short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The capital components of the Group are as given below:

	As at March 31, 2021	(Rs in Crores) As at March 31, 2020
Equity	35,138.96	30,571.59
<b>Total Equity</b>	<b>35,138.96</b>	<b>30,571.59</b>
Borrowings - Non Current	28,096.76	20,306.25
Borrowings - Current	3,362.45	7,949.91
Current Maturities of Long Term Debt	7,909.95	13,798.38
<b>Total Debt</b>	<b>39,369.16</b>	<b>42,054.54</b>
Cash & Cash equivalents	(5,719.01)	(4,340.94)
<b>Net Debt</b>	<b>33,650.15</b>	<b>37,713.60</b>
<b>Debt/Equity Ratio</b>	<b>0.96</b>	<b>1.23</b>

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

**49 Risk Management**

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks.

Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Group's senior management and an external industry expert. It defines the strategy for managing liquidity and interest rate risks in the business.

This note explains the sources of risk which the group is exposed to and how the group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Management
Liquidity risk	Borrowings and other liabilities	ALCO deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
Market risk - Interest rate	Long-term borrowings at variable rates	ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. The Risk Management Group has also initiated a scenario analysis to assess the short-term impact of interest rates on net interest income (NII).
Market risk - Securities price risks	Equity Investment	The Group continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk - Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes measures to hedge the exposure based on prevalent macroeconomic conditions.
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit  Each investment in financial services is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.

**a. Liquidity Risk Management**

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Group has formulated an Asset Liability Management Policy. The Asset Liability Management Committee (ALCO) is responsible for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Group has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

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

Particulars	(Rs. in Crores)	
	As at	As at
	March 31, 2021	March 31, 2020
- Undrawn credit lines	11,303.81	15,418.64
	<b>11,303.81</b>	<b>15,418.64</b>

Note: This includes Non-Convertible Debentures, Inter Corporate Deposits and Commercial Papers where only credit rating has been obtained and which can be issued, if required, within a short period of time. Further, the facilities related to Commercial Papers are generally rolled over.

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

Maturities of Financial Liabilities	(Rs. in Crores)			
	Upto 1 year	As at March 31, 2021		5 years & above
		1 to 3 years	3 to 5 years	
Borrowings	14,708.85	19,128.78	10,836.80	5,258.24
Trade Payables	1,178.39	-	-	-
Derivative Financial Liabilities	6.43	-	-	-
Lease Liabilities	67.35	81.73	47.85	121.09
Other Financial Liabilities	270.80	-	-	-
	<b>16,231.82</b>	<b>19,210.51</b>	<b>10,884.65</b>	<b>5,379.34</b>

Maturities of Financial Liabilities	(Rs. in Crores)			
	Upto 1 year	As at March 31, 2020		5 years & above
		1 to 3 years	3 to 5 years	
Borrowings	24,494.81	15,090.64	6,786.44	3,311.00
Trade Payables	989.83	-	-	-
Derivative Financial Liabilities	17.66	-	-	-
Lease Liabilities	57.15	77.41	27.29	134.29
Other Financial Liabilities	260.97	0.72	-	-
	<b>25,820.42</b>	<b>15,168.77</b>	<b>6,813.73</b>	<b>3,445.29</b>

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

Maturities of Financial Assets	(Rs. in Crores)			
	Upto 1 year	As at March 31, 2021		5 years & above
		1 to 3 years	3 to 5 years	
Investments & Loans (Gross of ECL)	7,697.22	23,408.24	14,070.15	14,059.89
Security deposits*	407.33	398.16	-	-
Trade Receivables (Gross of ECL)	1,600.15	-	-	-
	<b>9,704.70</b>	<b>23,806.40</b>	<b>14,070.15</b>	<b>14,059.89</b>

Maturities of Financial Assets	(Rs. in Crores)			
	Upto 1 year	As at March 31, 2020		5 years & above
		1 to 3 years	3 to 5 years	
Investments & Loans (Gross of ECL)	11,704.95	27,522.33	25,966.28	11,097.86
Security deposits*	500.89	458.65	-	-
Trade Receivables (Gross of ECL)	1,370.82	-	-	-
	<b>13,576.66</b>	<b>27,980.98</b>	<b>25,966.28</b>	<b>11,097.86</b>

\*to the extent considered for the group liquidity management

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

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

For the year previous year ended March 31, 2020, due to outbreak of Covid-19 pandemic, RBI vide circular DOR.No.BP.BC.47/21.04.048/2019-20 dated 27 March 2020 has directed HFC Companies to provide moratorium of 3 months to its customer / borrower on all payments falling due between 1 March 2020 and 31 May 2020 to all eligible borrowers classified as standard. Accordingly, the Group's subsidiary has followed the direction issued by RBI and has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020. The Group has also availed moratoriums on their borrowings in line with these directions. Therefore, the maturities of the financial assets and financial liabilities as at March 31, 2020, to the extent applicable have been impacted as a consequence of this RBI direction.

In case of loan commitments, the expected maturities are as under:

Particulars	(Rs. in Crores)			
	As at March 31, 2021		As at March 31, 2020	
	Upto 1 year	1 to 3 years	Upto 1 year	1 to 3 years
Commitment to invest in Loans / Inter Company Deposits	-	-	1,356.66	-
Commitment to invest in AIF	-	2.66	-	19.75
Letter of comforts issued	-	-	0.75	-
<b>TOTAL</b>	<b>-</b>	<b>2.66</b>	<b>1,357.41</b>	<b>19.75</b>

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

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

**Commitment as on March 31, 2021**

Fund Name	Total Commitment (USD Mio)	Balance Commitment (USD Mio)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund	-	-	2,732.27	344.27
India Resurgence Fund - Scheme 2	100.00	75.34	731.15	550.85
Nyca Investment Fund III, LP	5.00	3.13	36.56	22.85
Piramal Structured Credit Opportunities Fund	-	-	2,147.40	1,943.37

**Commitment as on March 31, 2020**

Fund Name	Total Commitment (USD Mio)	Balance Commitment (USD Mio)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
India Resurgence Fund - Scheme 2	100.00	75.26	756.70	569.49
Piramal Ivanhoe Residential Equity Fund 1	750.00	668.76	5,675.25	5,060.54
Nyca Investment Fund III, LP	5.00	3.50	37.84	26.48
India Resurgence Fund - Scheme 1	867.91	658.77	6,567.47	4,984.91
Piramal Structured Credit Opportunities Fund	-	-	2,147.40	1,998.20

**b. Interest Rate Risk Management**

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Group has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(Rs. in Crores)	
	As at	As at
	March 31, 2021	March 31, 2020
Variable rate borrowings	18,964.67	26,765.70
Fixed rate borrowings	20,541.77	15,742.88
	<b>39,506.44</b>	<b>42,508.58</b>

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

If interest rates related to borrowings had been 100 basis points higher/lower and all other variables were held constant for INR loans, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2021 would decrease/increase by Rs. 165.06 Crores (Previous year Rs.285.31 Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

If interest rates related to borrowings had been 25 basis points higher/lower and all other variables were held constant for Foreign currency loans, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2021 would decrease/increase by Rs. 6.19 Crores (Previous year Rs. 3.66 Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

If interest rates related to loans given / debentures invested had been 100 basis points higher/lower and all other variables were held constant, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2021 would increase/decrease by Rs. 245.39 Crores (Previous year Rs. 267.07 Crores) respectively. This is attributable to the Group's exposure to lendings at floating interest rates.

**c. Other price risks**

The Group is exposed to equity price risks arising from equity investments and classified in the balances sheet at fair value through Other Comprehensive Income.

**Equity price sensitivity analysis:**

The table below summarises the impact of increases/decreases on the Group's Equity and OCI for the period. Analysis is based on the assumption that equity index had increased/decreased by 5% with all the other variables held constant, and these investments moved in the line with the index.

Particulars	(Rs. in crores)	
	Impact on OCI	
	As at March 31, 2021	As at March 31, 2020
NSE Nifty 100, Increase by 5%	72.80	24.62
NSE Nifty 100, Decrease by 5%	(72.80)	(24.62)

The Group has designated the following securities as FVTOCI Investments (Refer note 4):

Shriram City Union Finance Limited  
Clarivate Plc

The Group chose this presentation alternative because the investment were made for strategic purposes rather than with a view to profit on subsequent sale, and there are no plans to dispose of these investments.



d. Foreign Currency Risk Management

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

a) Derivatives outstanding as at the reporting date

i. Hedge of firm commitment and highly probable forecast transactions	As at March 31, 2021		As at March 31, 2020	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
Forward contracts to sell USD / INR	176.00	1,328.97	76.00	587.31

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

Currencies	As at March 31, 2021		As at March 31, 2020	
	Trade receivables		Trade receivables	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
EUR	18.83	161.28	17.98	149.16
USD	87.63	640.73	71.65	542.14
GBP	11.85	119.12	6.75	63.09
AUD	0.36	2.18	0.35	1.53
CAD	7.45	43.24	5.00	26.55
ZAR	64.5	31.81	65.62	27.76
SGD	0.15	0.80	0.01	0.04
HKD	0.80	0.79	0.41	0.40
IDR	29,907.10	14.95	59,730.60	27.48
YEN	144.90	9.57	134.22	9.34
CZK	27.59	9.05	-	-

Currencies	As at March 31, 2021		As at March 31, 2020	
	Trade payables		Trade payables	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
CHF	0.29	2.28	1.33	10.98
EUR	0.55	4.73	1.31	10.79
GBP	5.37	53.73	3.02	28.18
JPY	2.41	0.16	1.37	0.10
SEK	0.03	0.02	0.03	0.02
USD	36.57	267.36	26.18	190.32
INR	279.44	27.94	62.58	6.26
HKD	-	0.02	-	-
THB	0.77	0.18	0.45	0.07
AUD	0.01	0.05	0.01	0.05
CAD	0.00	0.03	0.04	0.22
IDR	23,933.80	11.97	77.27	0.04
CZK	0.65	0.23	*	*
AED	0.04	0.08	0.03	0.06
RUB	0.02	*	-	-

Currencies	As at March 31, 2021		As at March 31, 2020	
	Loan from Banks		Loan from Banks	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
USD	8.23	60.20	32.38	245.05
EUR	0.90	7.56	-	-

Currencies	As at March 31, 2021				As at March 31, 2020			
	Loans		Current Account Balances		Loans		Current Account Balances	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
USD	98.53	720.43	18.07	132.13	239.65	1,813.46	16.44	124.43
GBP	2.86	26.74	0.01	0.06	14.50	135.41	0.39	3.67
EUR	2.50	20.69	(11.94)	(102.37)	12.08	99.95	1.75	14.51
CHF	5.59	43.33	-	-	10.77	84.16	0.16	1.22
CAD	-	-	0.02	0.13	-	-	-	-
AUD	-	-	-	-	-	-	-	-
RUB	-	-	5.38	0.53	-	-	-	-

Currencies	As at March 31, 2021		As at March 31, 2020	
	Loans taken and interest payable		Loans taken and interest payable	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
EUR	9.89	81.83	9.89	81.83
USD	60.13	454.21	57.13	432.28
GBP	15.22	142.10	15.22	142.10
CHF	4.73	36.95	4.73	36.95

Currencies	As at March 31, 2021		As at March 31, 2020	
	Cash & Cash Equivalents		Cash & Cash Equivalents	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
USD	6.98	51.06	15.52	117.47
GBP	-	-	0.02	0.22
CHF	-	-	-	-
EUR	1.43	12.28	(9.05)	(74.90)
IDR	-	-	8,204.70	3.77
CZK	4.03	1.32	-	-

\* - Below the rounding off threshold applied by the Group

Note: Loan from/ to Related Parties includes loans in respect of which foreign exchange gain/ loss is transferred to Other Comprehensive Income

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

Currencies	Increase/Decrease	For the year ended March 31, 2021				For the year ended March 31, 2020			
		Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year (Rs. In Crores)	Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year (Rs. In Crores)
USD	Increase by 5%#	211.22	104.93	3.66	38.86	343.26	115.70	3.78	86.10
USD	Decrease by 5%#	211.22	104.93	(3.66)	(38.86)	343.26	115.70	(3.78)	(86.10)
GBP	Increase by 5%#	14.72	20.59	5.04	(2.95)	21.67	18.24	4.67	1.60
GBP	Decrease by 5%#	14.72	20.59	(5.04)	2.95	21.67	18.24	(4.67)	(1.60)
EUR	Increase by 5%#	10.81	11.33	4.29	(0.22)	22.76	11.22	4.14	4.78
EUR	Decrease by 5%#	10.81	11.33	(4.29)	0.22	22.76	11.22	(4.14)	(4.78)
CHF	Increase by 5%#	5.59	5.02	3.88	0.22	10.92	6.06	3.91	1.90
CHF	Decrease by 5%#	5.59	5.02	(3.88)	(0.22)	10.92	6.06	(3.91)	(1.90)

# Holding all the variables constant

e. Accounting for cash flow hedge

(i) Cross-currency Interest Rate Swap

The Group has taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the Group has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Group has designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the CCIRS, the Group pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

Following table provides quantitative information regarding the hedging instrument as on March 31, 2021:

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments (included under "other current and non-current financial liabilities")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	(Liabilities)	(Liabilities)					
<b>Cash Flow Hedge</b>							
<b>Foreign currency and Interest rate risk</b>	522.64	5.79	14-Jun-24	1 : 1	9.30%	23.63	-21.67

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2021:

(Rs. in crores)				
Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
<b>Cash flow hedge</b>				
Interest Rate risk and Foreign Exchange Risk	23.63	-	(2.77) (18.90)	Finance Cost Foreign Exchange (gain)/loss

Following table provides quantitative information regarding the hedging instrument as on March 31, 2020:

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments (included under "other current and non-current financial liabilities")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	(Liabilities)	(Liabilities)					
<b>Cash Flow Hedge</b>							
<b>Foreign currency and Interest rate risk</b>	522.64	17.84	14-Jun-24	1:1	9.30%	(19.37)	37.21

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2020:

(Rs. in crores)				
Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
<b>Cash flow hedge</b>				
Interest Rate risk and Foreign Exchange Risk	(19.37)	-	(7.75) 44.97	Finance Cost Foreign Exchange (gain)/loss

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

(Rs. in crores)	
Particulars	Amount
<b>As on March 31, 2019</b>	<b>7.85</b>
Changes in fair value of CCIRS	17.84
Amounts reclassified to profit or loss	29.15
Deferred taxes related to above	4.89
<b>As on March 31, 2020</b>	<b>(14.27)</b>
Changes in fair value of CCIRS	(23.86)
Amounts reclassified to profit or loss	(21.67)
Deferred taxes related to above	0.50
<b>As on March 31, 2021</b>	<b>(15.96)</b>

**PIRAMAL ENTERPRISES LIMITED**  
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**(ii) Interest Rate Swap**

The Group has taken floating rate borrowings which is linked to 3 months revolving LIBOR. For managing the interest rate risk arising from changes in LIBOR on such borrowings, the Group has entered into Interest rate swap (IRS) for the loan liability. The Group has designated the IRS (hedging instrument) and the Floating rate financial liability (hedged item) into a hedging relationship and applies hedge accounting. The contacts has matured during the previous year ended March 31, 2020.

Under the terms of the Interest Rate Swap Contract, the Group pays interest at the fixed rate to the swap counterparty in USD and receives the floating interest payments based on LIBOR in USD. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

Following table provides quantitative information regarding the hedging instrument as on March 31, 2020:

(Rs. in crores)									
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Gain / (Loss) due to change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	-	-	-	(43.77)	(8.15)	-	Not applicable	35.59	Not applicable

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

	As at 31 March 2020			
	Total	Less than 1 year	1-5 years	Over 5 years
<b>Interest rate risk:</b>				
Notional principal amount (Rs. in crores)	NA			
Average fixed interest rates				

The tables below provide details of the Group's hedged items under cash flow hedges:

	As at 31 March 2020		
	Change in the value of hedged item for the year	Balance in cash flow hedge reserve	
		Where hedge accounting is continued	Where hedge accounting is discontinued
Borrowings (Floating rate)	Not applicable	Not applicable	Not applicable

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

(Rs. in crores)	
	Movement in Cash flow hedge reserve for the year ended
	<b>31-Mar-20</b>
Opening balance	(8.18)
<b>Effective portion of changes in fair</b>	
a) Interest rate risk	43.77
<b>Net amount reclassified to profit or</b>	
a) Interest rate risk	(35.59)
Tax on movements on reserves during the	-
<b>Closing balance as at March 31, 2020</b>	-

Disclosure of effects of hedge accounting on financial performance:

(Rs. in crores)				
Type of hedge	Gain/(Loss) due to change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge	-	-	-	-
Interest rate risk	(8.15)	-	35.59	Not applicable

**(iii) Accounting for cash flow hedge**

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

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

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

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

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

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

The table below enumerates the Group's hedging strategy, typical composition of the Group's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the year 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.	Foreign exchange forward contracts	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over-the-counter market. Further, the foreign currency basis spread is separated and accounted for at FVTPL. Accordingly, only the spot rate has been designated in the hedging relationship.	Cash flow hedge

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

<b>As at March 31, 2021</b>									<b>(Rs. in Crores)</b>
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification	
Foreign exchange forward contracts	11.30 (USD)	-	16.36	13.41	-	Not applicable	6.64	Revenue	

<b>As at March 31, 2020</b>									<b>(Rs. in Crores)</b>
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification	
Foreign exchange forward contracts	7.60 (USD)	-	(17.66)	(22.96)	-	Not applicable	4.99	Revenue	

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

	<b>As at March 31, 2021</b>				<b>As at 31 March 2020</b>			
	Total	Upto 1 year	1-5 years	Over 5 years	Total	Upto 1 year	1-5 years	Over 5 years
<b>Foreign currency risk:</b>								
<b>Forward exchange contracts</b>	11.30 (USD)	11.30 (USD)	-	-	7.60 Crores (USD)	7.60 Crores (USD)	-	-
Average INR:USD forward contract rate	77.11	77.11	-	-	77.28	77.28	-	-

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

Movement in Cash flow hedge reserve for the years ended	March 31, 2021 (Rs. In Crores)
<b>As on April 1, 2019</b>	<b>3.65</b>
Effective portion of changes in fair value:	
Foreign exchange forward contracts	(30.68)
Deferred taxes related to above	7.72
<b>Net amount classified to Profit &amp; Loss</b>	
Foreign exchange forward contracts	6.67
Tax on movements on reserves during the year	(1.68)
<b>As on March 31, 2020</b>	<b>(14.32)</b>
Effective portion of changes in fair value:	
Foreign exchange forward contracts	17.19
Tax on movements on reserves during the year	(3.78)
<b>Net amount reclassified to profit or loss:</b>	
Foreign exchange forward contracts	8.16
Tax on movements on reserves during the year	(1.51)
<b>Closing balance (As on Mar 31, 2021)</b>	<b>5.74</b>

(f) **Credit Risk**

Typically, the receivables of the Group can be classified in 2 categories:

1. Pharma Trade Receivables
  2. Financial Services business - (i) Loan Book primarily comprising of Real estate developers, Infrastructure Companies, Retail Housing Finance and Others; and (ii) Strategic Investment made in other body corporates.
- Please refer Note 10 for risk mitigation techniques followed for Pharma. Risk mitigation measures for Financial Services business are explained in the note below.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Retail lending:**

For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

**Wholesale lending:**

For wholesale lending business, the Group's Risk management team has developed proprietary internal rating model to evaluate risk return trade-off for the loans and investments made by the Group. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

The lending exposure includes lending to the below sectors

Sectors	Exposure as at	
	March 31, 2021	March 31, 2020
Real Estate	73.33%	74.70%
CFG	10.30%	12.32%
Retail Housing Finance	10.01%	11.42%
Others	6.36%	1.57%

**Credit Risk Management**

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies or mutual funds.

**For retail lending business, credit risk management is achieved by considering various factors like :**

- Assessment of borrower's capability to pay – a detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters are assessed by an independent risk team.
- Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.
- Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

**For wholesale lending business, credit risk management is achieved by considering various factors like :**

- Cash flow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
- Exit – This is an assessment of the liquidity of the loan or investment.

The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

- Good Deals with very high risk adjusted returns
- Investment Grade Deals with high risk adjusted returns
- Management Review Grade Deals with risk adjusted returns required as per lending policy
- Not Advisable Grade Deals with lower than required risk adjusted returns

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

**Provision for Expected Credit Loss**

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking parameters, which are both qualitative and quantitative. These parameters have been detailed in Note no.ix of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdue. This is also as per the rebuttable presumption provided by the standard.

**PIRAMAL ENTERPRISES LIMITED****Notes to the Consolidated financial statements for the year ended March 31, 2021**

The Group provides for expected credit loss based on the following:

Category - Description	Stages	Basis for Recognition of
Assets for which credit risk has not significantly increased from initial recognition	Stage 1 - Standard (Performing) Assets	12 month ECL
Assets for which credit risk has increased significantly but not credit impaired	Stage 2 - Significant Credit Deteriorated Assets	Life time ECL
Assets for which credit risk has increased significantly and credit impaired	Stage 3 - Default (Non-Performing) Assets (Credit Impaired)	Loss Given Default (LGD)

The Company has developed a PD Matrix consisting of various parameters suitably tailored for various facilities like grade of the borrower, past overdue history, status from monthly asset monitoring report, deal IRR, deal tenure remaining etc.

Based on these parameters the Company has computed the PD. The Company has also built in model scorecard to determine the internal LGD. However, since there has been no default history to substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD.

The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc. . Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project fiancé etc.) - (1) Sponsor strength (2) Overdues (3) Average Debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Company has computed the PD. The Company has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD. The Company also maintains Expected Credit Loss for undisbursed limits after applying the Credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

**Impact of Covid -19 pandemic on the credit risk**

The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The RBI had issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Group had offered a moratorium of three months on the payment of principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections made already in the month of March 2020. Further, in line with the additional Regulatory Package guidelines dated May 23, 2020 the Group granted a second three month moratorium on the payment of principal instalments and/ or interest, as applicable, falling due between June 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the policy).

The Group had ran a scenario analysis as on March 31, 2020 using proprietary algorithm-based risk models on the portfolio taking into account the possible impact related to Covid-19 pandemic.

The Supreme Court through an interim order dated September 03, 2020 directed that accounts which were not declared non-performing till August 31, 2020 shall not be declared non-performing after August 31, 2020. Pursuant to the Supreme Court's final order and the related RBI notification issued on April 7, 2021, the Company has classified the borrower accounts as Credit impaired (Stage -3) as at March 31, 2021.

The Company has portfolios that may face some head winds due to the emerging economic conditions. The exposures to sectors like hotels, auto-ancillaries may face much larger challenges. However, the exposure to these sectors are fairly limited compared to the overall lending portfolio.

Other sectors like residential and commercial real estate, renewables, logistics etc. where the Company has exposure may have direct or indirect impact. Company ran a scenario analysis using proprietary algorithm based risk models on the portfolio. The scenario took into account the current COVID-19 related impact and was built by risk with inputs from the Chief Economist of the Company.

Further the Group has, based on available information estimated and applied management overlays in the previous year, for the purpose of determination of the provision for impairment of financial assets. The management continued to consider macroeconomic overlay similar to its previous study. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information and economic forecasts up to the date of approval of these financial statements.

During the quarter and year ended March 31, 2020, the Group had estimated and recognised an additional expected credit loss of Rs. 1,903 Crores on certain financial assets, on account of the anticipated effect of the global health pandemic. As a result of 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 results and the Group will continue to monitor any changes to the future economic conditions.

Accordingly, the provision for expected credit loss on financial assets as at March 31, 2021 includes potential impact on account of the pandemic. Based on the current indicators of future economic conditions, the Group considers this provision to be adequate.

The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's performance will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition and other related matters, the impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone annual financial results and the Company will continue to closely monitor any material changes to future economic conditions.



Expected Credit Loss as at the end of the reporting period:

As at March 31, 2021

(Rs. in Crores)

Particulars	Asset Group	Exposure at Default	Expected Credit Loss	Net amount
Very High quality liquid assets	Other Financial Assets and Loans to related parties and others	1,125.51	-	1,125.51
Assets for which credit risk has not significantly increased from initial recognition*	Investments at amortised cost	7,873.92	235.82	7,638.10
	Loans at amortised cost	32,791.35	859.91	31,931.44
Assets for which credit risk has increased significantly but are not credit impaired	Investments at amortised cost	961.77	295.76	666.01
	Loans at amortised cost	1,581.18	278.89	1,302.29
Assets for which credit risk has increased significantly and are credit impaired	Investments at amortised cost	527.61	271.74	255.87
	Loans at amortised cost	1,499.23	767.82	731.41
<b>Total</b>		<b>46,360.57</b>	<b>2,709.94</b>	<b>43,650.63</b>

\* Includes Loans and Investment carried at FVTPL of Rs. 3,192.85 crores (excluding mutual funds and investments in AIF)

As at March 31, 2020

(Rs. in Crores)

Particulars	Asset Group	Exposure at Default	Expected Credit Loss	Net amount
Very High quality liquid assets	Other Financial Assets and Loans to related parties and others	6,074.33	-	6,074.33
Assets for which credit risk has not significantly increased from initial recognition*	Investments at amortised cost	10,809.19	558.61	10,250.58
	Loans at amortised cost	38,374.01	1,293.87	37,080.15
Assets for which credit risk has increased significantly but are not credit impaired	Investments at amortised cost	645.30	223.75	421.55
	Loans at amortised cost	639.29	216.05	423.24
Assets for which credit risk has increased significantly and are credit impaired	Investments at amortised cost	495.61	213.84	281.77
	Loans at amortised cost	715.05	277.92	437.13
<b>Total</b>		<b>57,752.78</b>	<b>2,784.04</b>	<b>54,968.75</b>

\* Includes Loans and Investment carried at FVTPL (excluding mutual funds and investments in AIF)

a) Reconciliation of Loss Allowance  
For the year ended March 31, 2021

(Rs. in Crores)

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit- impaired
Balance at the beginning of the year	1,852.48	439.80	491.75
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	(33.33)	33.33	-
Transferred to Lifetime ECL credit impaired - collective provision	(29.81)	(37.90)	67.71
<u>Charge to Statement of Profit and Loss</u>			
On Account of Rate Change	(462.34)	140.08	482.04
On Account of Disbursements	504.82	-	-
On Account of Repayments	(736.09)	(0.66)	(1.95)
<b>Balance at the end of the year</b>	<b>1,095.73</b>	<b>574.65</b>	<b>1,039.55</b>

For the year ended March 31, 2020

(Rs. in Crores)

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit- impaired
Balance at the beginning of the year	738.30	91.60	168.46
Transferred to 12-month ECL	49.06	(49.06)	-
Transferred to Lifetime ECL not credit impaired	(21.62)	21.62	-
Transferred to Lifetime ECL credit impaired - collective provision	(2.67)	(4.56)	7.23
Transferred to Lifetime ECL credit impaired - specific provision	-	-	-
Charge to Statement of Profit and Loss (*)	-	-	-
On Account of Rate Change	1,366.62	393.55	316.06
On Account of Disbursements	212.46	-	-
On Account of Repayments	(489.67)	(13.35)	-
<b>Balance at the end of the year</b>	<b>1,852.48</b>	<b>439.80</b>	<b>491.75</b>

(\*) The reason for increase in provision is due to increase in the loans & investments which is partially offset by a reduction in rate of ECL.

b) Expected Credit Loss on undrawn loan commitments / letter of comfort:

(Rs. in crores)

Particulars	(Rs. in crores)	
	March 31, 2021	March 31, 2020
Opening balance	188.19	103.52
Movement during the year	(78.36)	84.67
Closing balance	109.83	188.19

c) The amounts of Financial Assets outstanding in the Balance Sheet along with the undisbursed loan commitments and letter of comforts issued (refer note 49 (a)) as at the end of the reporting period represent the maximum exposure to credit risk.

#### Description of Collateral held as security and other credit enhancements

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

- i) First / Subservient charge on the Land and / or Building of the project or other projects
- ii) First / Subservient charge on the fixed and current assets of the borrower
- iii) Hypothecation over receivables from funded project or other projects of the borrower
- iv) Pledge on Shares of the borrower or their related parties
- v) Pledge on investment in shares made by borrower entity
- vi) Guarantees of Promoters / Promoter Undertakings
- vii) Post dated / Undated cheques

d) The credit impaired assets as at the reporting dates were secured by charge on land and building, shares of listed entities, lease rentals and project receivables amounting to:

(Rs. in Crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Value of Security	987.28	718.90

## 50 Movement in Provisions :

(Rs. in Crores)

Particulars	Litigations / Disputes		Onerous Contracts	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Balances as at the beginning of the year	3.50	3.50	0.11	0.09
Amount used	-	-	(0.04)	(0.03)
Revaluation of closing balances	-	-	0.01	0.05
<b>Balances as at the end of the year</b>	<b>3.50</b>	<b>3.50</b>	<b>0.08</b>	<b>0.11</b>
Classified as Non-current (Refer note 20)	-	-	0.08	0.11
Classified as Current (Refer note 26)	3.50	3.50	-	-
<b>Total</b>	<b>3.50</b>	<b>3.50</b>	<b>0.08</b>	<b>0.11</b>

Provision for litigation / disputes represents claims against the Group not acknowledged as debts that are expected to materialise in respect of matters under litigation. Future cash outflows are determinable only on receipt of judgments/decisions pending with various forums/authorities.

Provision for Onerous contracts represents the amounts provided for contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

51 The Chief Operating Decision maker of the Company examines the Group's performance both from a product offerings and from a geographic perspective. From a product perspective, the management has identified the following reportable segments:

1. Pharmaceuticals Manufacturing and Services
2. Financial Services

1. Pharmaceuticals Manufacturing and Services: In this segment, the Group has a strong presence in Pharma Solutions, Critical Care and Consumer Products Services. The Company and certain subsidiaries act as a Contract Development and manufacturing organization offering both APIs and formulations. The Group's critical care business deals in the inhalation anesthesia market. The group's consumer products business is primarily an India-centric consumer healthcare business with strong brands portfolio.

2. Financial Services: Company's financial services segment offers a complete suite of financial products to meet the diverse needs of its customers. The Company lends to various real estate developers and under special situation opportunities in various sectors and has investments in Shriram Group, through which the Company has exposure to retail financing segments.

Healthcare Insights and Analytics: Operations were discontinued in the previous year. The segment information reported below does not include any amounts for the discontinued operations, which are described in detailed Note No. 56.

Particulars	(Rs. in Crores)					
	Pharmaceuticals manufacturing and services		Financial services		Total	
	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020
<b>Revenue from operations</b>	5,775.91	5,418.87	7,033.44	7,649.42	<b>12,809.35</b>	<b>13,068.29</b>
<b>Segment Results after exceptional item</b>	1,240.88	1,433.55	2,400.37	355.30	<b>3,641.25</b>	<b>1,788.85</b>
Add : Net Unallocated Income					157.71	93.90
Less: Finance cost (Unallocated)					120.74	444.89
Less: Depreciation					560.88	520.30
<b>Total Profit Before Tax and share of net profit of associates and joint ventures, after exceptional items</b>					<b>3,117.34</b>	<b>917.56</b>
Add: Share of net profit of associates and joint ventures accounted for using the equity method					338.43	489.56
<b>Profit after share of net profit of associates and joint ventures and before tax</b>					<b>3,455.77</b>	<b>1,407.12</b>
Less: Tax Expenses					2,042.91	1,960.43
<b>Profit/ (Loss) from continuing operations after tax and share of profit of associates and joint ventures</b>					<b>1,412.86</b>	<b>(553.31)</b>

Included in the above Segment results, is the Exceptional Items as mentioned below:

Particulars	(Rs. in Crores)					
	Pharmaceuticals manufacturing and services		Unallocated		Total	
	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020
Exceptional items	(41.94)	-	100.80	-	58.86	-
<b>Total</b>	<b>(41.94)</b>	<b>-</b>	<b>100.80</b>	<b>-</b>	<b>58.86</b>	<b>-</b>

Segment results of Pharmaceuticals manufacturing and services segment represent Earnings before Interest, Tax, Depreciation and Amortisation and Segment results of Financial services represent Earnings before Tax, Depreciation and Amortisation.

**Other Information**

Particulars	(Rs. in Crores)					
	Pharmaceuticals manufacturing and services		Financial services		Total	
	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020
Segment Assets						
Unallocable Corporate Assets	10,713.15	9,521.78	62,869.94	60,672.94	73,583.09	70,194.72
<b>Total Assets</b>					<b>77,118.86</b>	<b>74,908.58</b>
Segment Liabilities						
Unallocable Corporate Liabilities	4,433.94	1,511.67	36,852.26	41,279.11	41,286.21	42,790.78
<b>Total Liabilities</b>					<b>40,592.51</b>	<b>44,336.99</b>
Net Capital Expenditure (for continuing operations)	847.76	361.02	22.29	17.95	870.05	378.97
Depreciation and amortisation expense	506.55	476.24	31.84	35.18	538.39	511.41
Unallocable depreciation expense					22.49	13.80
Non Cash expenditure other than depreciation and amortisation	21.35	90.30	11.29	1,875.59	32.64	1,965.89
Unallocable non-cash expenditure other than above	-	-	-	-	77.58	-
The above segment assets and unallocated assets include: Investment in associates and joint ventures accounted for by the equity method					4,316.85	4,218.24

**Geographical Segments**

Particulars	(Rs. in Crores)					
	Within India		Outside India		Total	
	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020
Revenue from operations	7,995.84	8,621.19	4,813.51	4,447.10	12,809.35	13,068.29
Carrying amount of Non current Assets*	3,727.95	2,086.77	4,842.59	4,912.43	8,570.54	6,999.20

\* Other than Financial assets, deferred tax assets and Net Advance Tax Paid

No customer contributed more than 10% of the total revenue of the Group

**PIRAMAL ENTERPRISES LIMITED**  
Notes to the Consolidated financial statements for the year ended March 31, 2021

**52) Income taxes relating to operations**

**a) Tax expense recognised in statement of profit and loss**

	(Rs. in Crores)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Current tax</b>		
In respect of the current year	377.79	365.75
In respect of prior years	-	11.84
	<b>377.79</b>	<b>377.59</b>
<b>Deferred tax</b>		
Deferred Tax, net	406.83	(123.46)
Tax adjustment for earlier years *	1,258.29	1,757.59
	<b>1,665.12</b>	<b>1,634.13</b>
<b>Total tax expense recognised</b>	<b>2,042.91</b>	<b>2,011.72</b>
<b>Total tax expense attributable to</b>		
from continuing operations	2,042.91	1,960.43
from discontinuing operations	-	51.29

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

	(Rs. in Crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income:		
Exchange loss on long term loans transferred to OCI	8.58	47.56
Fair value remeasurement of hedging instruments entered into for cash flow hedges	(12.36)	(10.92)
Changes in fair values of equity instruments	(10.46)	-
Remeasurement of defined benefit obligation	(0.26)	(1.05)
<b>Total tax expense recognised</b>	<b>(14.50)</b>	<b>35.59</b>

**c) Deferred tax balances**

The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated Balance sheet:

	As at March 31, 2021	(Rs. in Crores) As at March 31, 2020
Deferred tax assets (net)	937.24	2,372.32
Deferred tax liabilities (net)	(222.68)	(8.22)
	<b>714.56</b>	<b>2,364.10</b>

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

**Movement of deferred tax during the year ended March 31, 2021**

Particulars	(Rs. in Crores)					
	Opening balance	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Acquisition through Business combination (Refer note 58(ii))	Closing balance
<b>Deferred tax (liabilities) / assets in relation to:</b>						
Measurement of financial assets at amortised cost / fair value	84.46	10.46	-	10.46	-	105.38
Provision for expected credit loss on financial assets (including commitments)	739.25	(34.36)	-	-	-	704.89
Other Provisions	40.09	(28.53)	-	-	-	11.56
Amortisation of expenses which are allowed in current year	0.23	(0.04)	-	-	-	0.19
Disallowances for items allowed on payment basis	55.80	(13.41)	(0.29)	0.26	-	42.36
Recognition of lease rent expense	1.31	0.04	-	-	-	1.35
Unrealised profit margin on inventory	22.92	6.49	-	-	-	29.41
Goodwill on merger of wholly owned subsidiaries (Refer Note 39 (a))	1,258.29	(1,258.29)	-	-	-	-
Property, Plant and Equipment and Intangible assets	(242.04)	(8.93)	1.38	-	(15.69)	(265.28)
Measurement of financial liabilities at amortised cost	(87.09)	(74.74)	-	-	-	(161.83)
Fair value measurement of derivative contracts	4.45	(21.27)	-	12.36	-	(4.46)
Other temporary differences	8.59	2.49	0.03	-	-	11.11
Exchange differences on long term loans designated as net investments transferred to OCI	-	8.58	-	(8.58)	-	-
Brought forward losses	477.84	(253.61)	15.65	-	-	239.88
<b>Total</b>	<b>2,364.10</b>	<b>(1,665.12)</b>	<b>16.77</b>	<b>14.50</b>	<b>(15.69)</b>	<b>714.56</b>

**Movement of deferred tax during the year ended March 31, 2020**

Particulars	(Rs. in Crores)					
	Opening balance	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	MAT credit utilised	Closing balance
<b>Deferred tax (liabilities) / assets in relation to:</b>						
Measurement of financial assets at amortised cost / fair value	59.07	25.39	-	-	-	84.46
Provision for expected credit loss on financial assets (including commitments)	373.76	365.49	-	-	-	739.25
Other Provisions	35.28	2.02	2.79	-	-	40.09
Amortisation of expenses which are allowed in current year	0.32	(0.09)	-	-	-	0.23
Disallowances for items allowed on payment basis	70.90	(16.82)	0.67	1.05	-	55.80
Recognition of lease rent expense	1.24	0.07	-	-	-	1.31
Unrealised profit margin on inventory	38.18	(15.26)	-	-	-	22.92
Goodwill on merger of wholly owned subsidiaries (Refer Note 39 (a))	2,336.28	(1,077.99)	-	-	-	1,258.29
Property, Plant and Equipment and Intangible assets	(288.67)	51.72	(5.09)	-	-	(242.04)
Measurement of financial assets at amortised cost/fair value	-	-	-	-	-	-
Measurement of financial liabilities at amortised cost	(117.44)	30.35	-	-	-	(87.09)
Fair value measurement of derivative contracts	(4.36)	(2.11)	-	10.92	-	4.45
Share of undistributed earnings of associates	(13.03)	13.03	-	-	-	-
Other temporary differences	10.94	(3.05)	0.70	-	-	8.59
Exchange differences on long term loans designated as net investments transferred to OCI	-	47.56	-	(47.56)	-	-
Brought forward losses	588.87	(128.70)	17.67	-	-	477.84
Unused tax credit (MAT credit entitlement)	957.64	(925.74)	-	-	(31.90)	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-
<b>Total</b>	<b>4,048.98</b>	<b>(1,634.13)</b>	<b>16.74</b>	<b>(35.59)</b>	<b>(31.90)</b>	<b>2,364.10</b>

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

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

Particulars	(Rs. in Crores)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Consolidated Profit before tax from continuing and discontinuing operations (after exceptional items)</b>	3,117.34	1,543.30
<b>Income tax expense calculated at 25.17%</b>	<b>784.63</b>	<b>388.45</b>
Effect of expenses that are not deductible in determining taxable profit	31.36	87.19
Utilisation of previously unrecognised tax losses	(17.83)	(26.70)
Effect of incomes which are taxed at different rates	(5.22)	(17.85)
Effect of incomes which are exempt from tax	-	(192.96)
Deferred tax asset created on unrecognised tax losses of previous years	(49.29)	(108.07)
Tax provision for earlier years	-	11.84
Tax losses for which no deferred income tax is recognised	38.96	68.81
Temporary differences for which no deferred income tax was recognised	14.87	21.25
Unrealised profit margin on inventory on which deferred tax asset is not created	(0.22)	(2.45)
Effect of deduction in tax for interest on Compulsory Convertible Debentures	(36.94)	(13.03)
Deferred tax liability created on share of undistributed earnings of associates	-	(13.03)
Fair value gain on FVTPL instruments	-	(17.11)
Effect on deferred tax balances due to the changes in income tax rate	-	26.58
Tax adjustment for earlier years*	1,258.29	1,757.59
Effect of difference in amortised cost and carrying amount of loan portfolio	(5.89)	23.41
Effect of deduction from dividend income	(6.76)	-
Effect of business loss off set against capital gain recognised in capital reserve	8.90	-
Others	28.05	17.80
<b>Income tax expense recognised in consolidated statement of profit and loss</b>	<b>2,042.91</b>	<b>2,011.72</b>

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

In assessing the realizability of deferred tax assets, the Group considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits (after considering the Covid-19 impact) during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

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

In addition to this, during the current year ended March 31, 2021, the Group has recognized Deferred Tax Asset of Rs. 49.29 Crores (Previous Year: Rs. 108.07 Crores) on unused tax losses, considering profits in the past 2 years and reasonable certainty of realisation of such deferred tax asset in the future years.

Deferred tax asset amounting to Rs. 364.45 crores and Rs. 328.77 crores (excluding the amount already recognised to the extent of Deferred Tax Liabilities amounting to Rs. 1.57 Crores and Rs. 102.69 Crores) as at March 31, 2021 and March 31, 2020, respectively in respect of unused tax losses, temporary differences and tax credits was not recognized by the Group, considering that the Company and its subsidiaries had a history of tax losses for recent years. Unrecognized Deferred tax of Rs. 124.66 Crores and Rs. 71.84 Crores as at March 31, 2021 and March 31, 2020 are attributable to carry forward tax losses which are not subject to expiration dates. The remaining unrecognized deferred tax of Rs. 239.99 Crores and Rs. 256.93 Crores as at March 31, 2021 and March 31, 2020 respectively are attributable to carry forward tax losses which expires in various years upto December 31, 2037.

Deferred income taxes are not recognised on the undistributed earnings of subsidiaries, associates or joint ventures, where it is expected that the earnings will not be distributed in the foreseeable future or where the tax credit can be availed by the holding company

\*

For the year ended March 31, 2021

Pursuant to goodwill being taken out of the purview of tax depreciation w.e.f. April 1, 2020 by Finance Bill enacted in March 2021, the group has, during the year ended March 31, 2021, de-recognized deferred tax asset of Rs. 1,258.29 crores created earlier on certain tax deductible goodwill.

For the year ended March 31, 2020

The Company and some of its Indian subsidiaries had exercised the option of lower tax rate permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act'). Accordingly, the Company and some of its Indian subsidiaries had recognised provision for income tax for the year ended March 31, 2020 basis the rate provided in the said Amendment Act. The Company has re-measured the opening balance of Deferred Tax Assets (net) including Minimum Alternate Tax (MAT) as at April 1, 2019 and accounted net tax expense of Rs. 1,757.59 crores relating to the same during the year ended March 31, 2020.



**PIRAMAL ENTERPRISES LIMITED**  
**Notes to the Consolidated financial statements for the year ended March 31, 2021**

**53 (a). Disclosures mandated by Schedule III by way of additional information**

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2021		Share in Profit for the year ended March 31, 2021		Share in Other Comprehensive Income for the year ended March 31, 2021		Share in Total Comprehensive Income for the year ended March 31, 2021	
	As a % of Consolidated net assets	Amount (Rs. in Crores)	As a % of Consolidated profit	Amount (Rs. in Crores)	As a % of Consolidated Other Comprehensive Income	Amount (Rs. in Crores)	As a % of Consolidated Total Comprehensive Income	Amount (Rs. in Crores)
<b>Parent</b>								
Piramal Enterprises Limited	68.15%	23,183.74	-10.53%	(148.77)	99.49%	384.87	13.12%	236.10
<b>Subsidiaries</b>								
<b>Indian</b>								
Piramal Pharma Limited	12.05%	4,100.83	33.84%	478.18	0.85%	3.28	26.75%	481.46
Convergence Chemicals Private Limited (w.e.f February 24, 2021)	0.39%	131.78	-0.03%	(0.48)	7.76%	30.01	1.64%	29.53
PHL Fininvest Private Limited	15.30%	5,205.62	34.76%	491.15	-0.12%	(0.47)	27.26%	490.68
Piramal Fund Management Private Limited	-0.03%	(11.80)	-2.46%	(34.71)	0.16%	0.62	-1.89%	(34.09)
Piramal Capital and Housing Finance Limited	63.16%	21,486.87	73.22%	1,034.44	0.17%	0.65	57.51%	1,035.09
PEL Finhold Private Limited	-0.06%	(20.12)	-4.65%	(65.65)	0.00%	-	-3.65%	(65.65)
Piramal Investment Advisory Services Private	0.02%	7.22	0.48%	6.81	0.00%	-	0.38%	6.81
Piramal Consumer Products Private Limited	0.06%	21.87	0.04%	0.56	0.00%	-	0.03%	0.56
Piramal Systems & Technologies Private Limited	-0.15%	(50.76)	-3.55%	(50.18)	0.00%	-	-2.79%	(50.18)
Piramal Investment Opportunities Fund	0.01%	5.00	0.00%	-	0.00%	-	0.00%	-
Piramal Asset Management Private Limited	-0.02%	(5.13)	-0.03%	(0.41)	0.00%	-	-0.02%	(0.41)
Piramal Securities Limited	0.04%	15.07	0.04%	0.61	0.00%	-	0.03%	0.61
Piramal Finance Sales & Services Private Limited	0.00%	0.63	0.04%	0.53	0.00%	-	0.03%	0.53
Virdis Power Investment Managers Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Virdis Infrastructure Investment Managers Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
<b>Foreign</b>								
Piramal International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Holdings (Suisse) SA	0.06%	19.73	0.51%	7.21	0.17%	0.67	0.44%	7.88
Piramal Technologies SA	-0.10%	(34.15)	-1.62%	(22.90)	0.03%	0.13	-1.27%	(22.77)
INDIAREIT Investment Management Co.	0.32%	110.35	0.84%	11.82	-0.94%	(3.63)	0.46%	8.19
Piramal Asset Management Private Limited, Singapore	0.02%	5.63	0.16%	2.29	-0.04%	(0.15)	0.12%	2.14
Piramal Dutch Holdings N.V.	5.59%	1,900.04	-3.78%	(53.45)	5.93%	22.93	-1.70%	(30.52)
Piramal Healthcare Inc.	3.52%	1,197.34	0.66%	9.26	-9.16%	(35.43)	-1.45%	(26.17)
Piramal Critical Care, Inc.	2.65%	900.85	15.82%	223.56	-7.03%	(27.19)	10.91%	196.37
Piramal Pharma Inc.	0.04%	13.37	-0.06%	(0.85)	-0.12%	(0.48)	-0.07%	(1.33)
PEL Pharma Inc.	-0.04%	(13.01)	-1.55%	(21.88)	4.87%	18.83	-0.17%	(3.05)
Ash Stevens LLC	1.63%	554.83	6.15%	86.94	-4.58%	(17.72)	3.85%	69.22
Piramal Pharma Solutions Inc.	-1.19%	(404.51)	-5.95%	(84.04)	3.24%	12.52	-3.97%	(71.52)
Piramal Critical Care Italia, S.P.A	0.06%	21.56	-0.46%	(6.55)	0.00%	(0.01)	-0.36%	(6.56)
Piramal Critical Care Deutschland GmbH	0.04%	13.08	-0.88%	(12.46)	-0.02%	(0.07)	-0.70%	(12.53)
Piramal Healthcare (UK) Limited	1.99%	675.32	0.49%	6.90	12.67%	49.03	3.11%	55.93
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	0.46%	156.04	-5.32%	(75.15)	-1.72%	(6.65)	-4.55%	(81.80)
Piramal Healthcare (Canada) Limited	1.78%	604.19	8.43%	119.06	11.62%	44.95	9.11%	164.01
Piramal Critical Care South Africa (Pty) Ltd	0.02%	5.15	0.03%	0.48	0.18%	0.70	0.07%	1.18
Piramal Critical Care B.V.	-0.02%	(6.30)	-1.18%	(16.69)	0.13%	0.52	-0.90%	(16.17)
Piramal Critical Care Pty. Ltd.	0.01%	2.41	0.01%	0.09	0.11%	0.42	0.03%	0.51
PEL Healthcare LLC (w.e.f June 26, 2020)	0.37%	127.30	-0.50%	(7.09)	0.98%	3.79	-0.18%	(3.30)
Piramal Dutch IM Holdco B.V.	0.42%	144.48	0.18%	2.58	-0.02%	(0.07)	0.14%	2.51
PEL-DRG Dutch Holdco B.V.	1.10%	375.31	5.29%	74.79	-4.45%	(17.23)	3.20%	57.56
		-		-		-		-
<b>Non Controlling Interests in all subsidiaries Associates (Investment as per the equity method)</b>	3.30%	1,121.00	5.70%	80.52	2.60%	10.06	5.03%	90.58
<b>Indian</b>								
Allergan India Private Limited	0.32%	109.67	2.82%	39.84	0.00%	-	2.21%	39.84
Shriram Capital Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
<b>Joint Venture (Investment as per the equity method)</b>								
<b>Indian</b>								
Shri Lekha Business Consultancy Private Limited	10.88%	3,700.50	16.93%	239.16	0.00%	-	13.29%	239.16
Convergence Chemicals Private Limited (till February 23, 2021)	0.00%	-	0.28%	3.92	0.00%	-	0.22%	3.92
India Resurgence ARC Private Limited	0.15%	52.03	0.00%	-	0.00%	-	0.00%	-
India Resurgence Asset Management Business Private Limited	0.01%	5.00	0.00%	-	0.00%	-	0.00%	-
Piramal Ivanhoe Residential Equity Fund 1	0.42%	142.87	0.22%	3.05	0.00%	-	0.17%	3.05
India Resurgence Fund Scheme II	0.60%	204.32	3.47%	49.03	0.00%	-	2.72%	49.03
India Resurgence ARC Trust I	0.14%	48.69	0.00%	-	0.00%	-	0.00%	-
Piramal Structured Credit Opportunities Fund	0.15%	50.78	0.39%	5.56	0.00%	-	0.31%	5.56
<b>Foreign</b>								
Asset Resurgence Mauritius Manager	0.01%	2.98	-0.15%	(2.13)	0.00%	-	-0.12%	(2.13)
Consolidation Adjustments	-93.66%	(31,859.74)	-68.11%	(962.09)	-22.76%	(88.03)	-58.35%	(-1,050.12)
<b>Total</b>	<b>100.00%</b>	<b>34,017.96</b>	<b>100.00%</b>	<b>1,412.86</b>	<b>100.01%</b>	<b>386.85</b>	<b>100.00%</b>	<b>1,799.71</b>

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

**53 (b). Disclosures mandated by Schedule III by way of additional information**

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2020		Share in Profit for the year ended March 31, 2020		Share in Other Comprehensive Expense for the year ended March 31, 2020		Share in Total Comprehensive Loss for the year ended March 31, 2020	
	As a % of Consolidated net assets	Amount (Rs. in Crores)	As a % of Consolidated profit	Amount (Rs in. Crores)	As a % of Consolidated Other Comprehensive Expense	Amount (Rs. in Crores)	As a % of Consolidated Total Comprehensive Loss	Amount (Rs. in Crores)
<b>Parent</b>								
Piramal Enterprises Limited	74.02%	22,627.98	685.11%	144.85	144.75%	(1,379.83)	132.49%	(1,234.98)
<b>Subsidiaries</b>								
<b>Indian</b>								
PHL Fininvest Private Limited	15.42%	4,715.44	422.61%	89.35	0.06%	(0.58)	-9.52%	88.77
Searchlight Health Private Limited	0.00%	-	-14.66%	(3.10)	0.00%	-	0.33%	(3.10)
Piramal Fund Management Private Limited	0.09%	26.73	-248.77%	(52.60)	-0.01%	0.13	5.63%	(52.47)
Piramal Capital and Housing Finance Limited								
PEL Finhold Private Limited	66.90%	20,451.55	144.11%	30.47	1.52%	(14.53)	-1.71%	15.94
Piramal Investment Advisory Services Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Piramal Consumer Products Private Limited	0.00%	0.41	-12.52%	(2.65)	0.00%	-	0.28%	(2.65)
Piramal Systems & Technologies Private Limited	0.07%	21.39	35.80%	7.57	0.00%	-	-0.81%	7.57
Piramal Investment Opportunities Fund	-0.09%	(28.93)	-21.45%	(4.54)	0.01%	(0.07)	0.49%	(4.61)
Piramal Asset Management Private Limited	0.02%	5.00	0.00%	-	0.00%	-	0.00%	-
Piramal Securities Limited	-0.01%	(4.23)	-24.10%	(5.09)	0.00%	-	0.55%	(5.09)
Piramal Securities Limited	0.03%	9.46	-59.52%	(12.58)	0.00%	-	1.35%	(12.58)
<b>Foreign</b>								
Piramal International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Holdings (Suisse) SA	0.04%	11.62	-271.84%	(57.47)	-5.53%	52.75	0.51%	(4.72)
Piramal Technologies SA	0.00%	-	0.00%	-	0.00%	-	0.00%	-
INDIAREIT Investment Management Co.	0.33%	102.17	57.27%	12.11	0.00%	-	-1.30%	12.11
Piramal Asset Management Private Limited	0.01%	3.49	8.43%	1.78	0.00%	-	-0.19%	1.78
Piramal Dutch Holdings N.V.	6.32%	1,931.05	-102.07%	(21.58)	5.62%	(53.62)	8.07%	(75.20)
Piramal Healthcare Inc.	4.00%	1,223.51	149.94%	31.70	0.00%	-	-3.40%	31.70
Piramal Critical Care, Inc.	2.30%	704.48	1145.69%	242.23	0.00%	-	-25.99%	242.23
Piramal Pharma Inc.	0.05%	14.71	1.84%	0.39	0.00%	-	-0.04%	0.39
PEL Pharma Inc.	-0.03%	(9.96)	-104.62%	(22.12)	0.00%	-	2.37%	(22.12)
Ash Stevens LLC	1.59%	485.61	261.65%	55.32	0.00%	-	-5.93%	55.32
Piramal Pharma Solutions Inc.	-1.09%	(333.00)	-441.09%	(93.26)	0.00%	-	10.00%	(93.26)
Piramal Critical Care Italia, S.P.A	0.03%	10.52	-18.61%	(3.94)	-0.07%	0.71	0.35%	(3.23)
Piramal Critical Care Deutschland GmbH	0.03%	7.99	-52.97%	(11.20)	-0.01%	0.07	1.19%	(11.13)
Piramal Healthcare (UK) Limited	2.03%	619.39	744.36%	157.38	-2.06%	19.62	-18.99%	177.00
Piramal Healthcare Pension Trustees Limited								
Piramal Critical Care Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Healthcare (Canada) Limited	0.78%	237.84	-371.47%	(78.54)	-2.61%	24.87	5.76%	(53.67)
Piramal Critical Care South Africa (Pty) Ltd	1.44%	440.18	954.08%	201.72	-0.63%	6.02	-22.29%	207.74
Piramal Critical Care B.V.	0.01%	3.98	5.75%	1.21	0.05%	(0.52)	-0.07%	0.69
Piramal Critical Care B.V.	0.03%	9.87	27.14%	5.74	-0.06%	0.53	-0.67%	6.27
Piramal Critical Care Pty. Ltd.	0.01%	1.96	-1.71%	(0.36)	0.02%	(0.16)	0.06%	(0.52)
Piramal Dutch IM Holdco B.V.	0.46%	141.97	-24.41%	(5.16)	-0.02%	0.18	0.53%	(4.98)
PEL-DRG Dutch Holdco B.V. (and Subsidiaries)	1.27%	387.74	3082.63%	651.75	-5.63%	53.65	-75.68%	705.40
<b>Non Controlling Interests in all subsidiaries</b>								
<b>Associates (Investment as per the equity method)</b>								
<b>Indian</b>								
Allergan India Private Limited	0.64%	194.37	245.00%	51.80	0.00%	-	-5.56%	51.80
Shriram Capital Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
<b>Foreign</b>								
Bluebird Aero Systems Limited	0.13%	39.99	0.00%	-	0.00%	-	0.00%	-
<b>Joint Venture (Investment as per the equity method)</b>								
<b>Indian</b>								
Convergence Chemicals Private Limited	0.12%	37.53	33.77%	7.14	0.00%	-	-0.77%	7.14
Shrilekha Business Consultancy Private Limited	11.32%	3,461.34	1850.90%	391.33	0.00%	-	-41.98%	391.33
India Resurgence ARC Private Limited	0.17%	51.36	-11.11%	(2.35)	0.00%	-	0.25%	(2.35)
India Resurgence Asset Management Business Private Limited	0.02%	5.00	0.00%	-	0.00%	-	0.00%	-
Piramal Ivanhoe Residential Equity Fund 1	0.46%	139.82	113.51%	24.00	0.00%	-	-2.57%	24.00
India Resurgence Fund Scheme II	0.63%	193.75	62.15%	13.14	0.00%	-	-1.41%	13.14
India Resurgence ARC Trust I	0.18%	53.95	-	-	-	-	-	-
Piramal Structured Credit Opportunities Fund	0.12%	36.01	-	-	-	-	-	-
<b>Foreign</b>								
Asset Resurgence Mauritius Manager	0.02%	5.11	21.23%	4.49	0.00%	-	-0.48%	4.49
Consolidation Adjustments	-89.84%	(27,466.58)	-8158.39%	(1,724.90)	-35.40%	337.50	148.84%	(1,387.40)
<b>Total</b>	<b>100.00%</b>	<b>30,571.59</b>	<b>100.00%</b>	<b>21.14</b>	<b>100.01%</b>	<b>(953.28)</b>	<b>100.00%</b>	<b>(932.14)</b>

**PIRAMAL ENTERPRISES LIMITED**  
Notes to the Consolidated financial statements for the year ended March 31, 2021

**54 Fair Value Measurement**  
Financial Instruments by category:

Categories of Financial Instruments:	(Rs. in Crores)					
	March 31, 2021		March 31, 2020			
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investments	7,901.84	1,456.07	8,354.50	3,210.47	492.47	11,521.61
Loans	1,551.39	-	30,881.89	889.89	-	34,490.38
Cash & Bank Balances	-	-	7,024.72	-	-	4,771.12
Trade Receivables	-	-	1,544.73	-	-	1,324.39
Other Financial Assets	17.07	-	1,108.44	17.84	-	1,649.94
	<b>9,470.30</b>	<b>1,456.07</b>	<b>48,914.28</b>	<b>4,118.20</b>	<b>492.47</b>	<b>53,757.44</b>
<b>Financial liabilities</b>						
Borrowings (including Current Maturities of Long Term Debt)	-	-	39,369.16	-	-	42,054.54
Trade Payables	-	-	1,178.39	-	-	989.83
Other Financial Liabilities	6.43	-	458.70	17.66	-	445.35
	<b>6.43</b>	<b>-</b>	<b>41,006.25</b>	<b>17.66</b>	<b>-</b>	<b>43,489.72</b>

**b) Fair Value Hierarchy and Method of Valuation**

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

Financial Assets	Notes	March 31, 2021			Total
		Carrying Value	Level 1	Level 2	
<b>Measured at FVTPL – Recurring Fair Value Measurements</b>					
<b>Investments</b>					
Investments in Equity Shares	ii.	13.00	-	-	13.00
Investments in debentures or bonds					
Redeemable Non-Convertible Debentures	i.	2,612.29	-	-	2,612.29
Investments in Mutual Funds	ii.	2,155.20	2,155.20	-	2,155.20
Investment in Alternative Investment Fund	vi.	3,121.35	-	-	3,121.35
<b>Loans</b>					
Term Loans	i.	1,551.39	-	-	1,551.39
<b>Other Financial Assets</b>					
Derivative Financial Assets	iii.	17.07	-	17.07	17.07
<b>Measured at FVTOCI</b>					
Investments in Equity Instruments	ii.	1,456.07	1,456.07	-	1,456.07
<b>Measured at Amortised Cost for which fair values are disclosed</b>					
<b>Investments</b>					
Investments in debentures or bonds (Gross of Expected Credit Loss)	iv.	9,157.82	-	-	9,048.25
<b>Loans</b>					
Term Loans (Gross of Expected Credit Loss)	iv.	32,677.18	-	-	32,814.62
Intercompany Deposits (Gross of Expected Credit Loss)	iv.	107.92	-	-	107.92
<b>Financial Liabilities</b>					
<b>Measured at FVTPL – Recurring Fair Value Measurements</b>					
Derivative Financial Liabilities	iii.	6.43	-	6.43	6.43
<b>Measured at Amortised Cost for which fair values are disclosed</b>					
Borrowings (including Current Maturities of Long Term Debt) (Gross)	v.	39,369.16	-	-	39,615.33

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to the Consolidated financial statements for the year ended March 31, 2021**  
b) Fair Value Hierarchy and Method of Valuation (Continued)

Financial Assets	March 31, 2020				Total
	Notes	Carrying Value	Level 1	Level 2	
<b>Measured at FVTPL – Recurring Fair Value Measurements</b>					
<b>Investments</b>					
Investments in Preference Shares		-	-	-	-
Investments in Equity Shares	ii.	10.33	-	-	10.33
Investments in Share warrants		1.48	-	-	1.48
Investments in debentures or bonds					
Redeemable Non-Convertible Debentures	i.	2,626.21	-	-	2,626.21
Investments in Mutual Funds	ii.	6.68	6.68	-	6.68
Investment in Alternative Investment Fund/Venture Capital Funds	vi.	565.79	406.00	-	565.79
<b>Loans</b>					
Term Loans	i.	889.89	-	-	889.89
<b>Other Financial Assets</b>					
Derivative Financial Assets	iii.	17.84	-	17.84	17.84
<b>Measured at FVTOCI</b>					
Investments in Equity Instruments	ii.	492.47	492.47	-	492.47
<b>Measured at Amortised Cost for which fair values are disclosed</b>					
<b>Investments</b>					
Investments in debentures or bonds (Gross of Expected Credit Loss)	iv.	12,517.51	-	-	13,767.54
<b>Loans</b>					
Term Loans (Gross of Expected Credit Loss)	iv.	36,111.83	-	-	37,568.10
Intercompany Deposits (Gross of Expected Credit Loss)	iv.	119.77	-	-	119.03
<b>Financial Liabilities</b>					
<b>Measured at FVTPL – Recurring Fair Value Measurements</b>					
Contingent Consideration	vii.	-	-	-	-
Derivative Financial Liabilities	iii.	17.66	-	17.66	17.66
<b>Measured at Amortised Cost for which fair values are disclosed</b>					
Borrowings (including Current Maturities of Long Term Debt) (Gross)	v.	42,054.54	-	-	43,382.46

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

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

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

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

**Valuation techniques used to determine the fair values:**

- Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data.
- This includes listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.
- This includes forward exchange contracts and cross currency interest rate swap. The fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date. The fair value of cross currency interest rate swap is calculated as the present value of future cash flow based on observable yield curves and forward exchange rates.
- Discounted cash flow method basis contractual cash flow has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates. Credit risk adjustment has not been considered while arriving at the values.

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

- v. Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.
- vi. Investments in Alternative Investment Funds is valued basis the net asset value received from the fund house.
- vii. Discounted cash flow method has been used to determine the fair value of contingent consideration.

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to the Consolidated financial statements for the year ended March 31, 2021**

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

The following table presents the changes in level 3 items for the period ended March 31, 2021 and March 31, 2020.

	Term loans	Debentures	Alternative Investment Fund/Venture Capital Fund	Equity Shares	Share Warrants	Preference Shares	Contingent Consideration	Total
<b>As at April 1, 2019</b>	<b>674.84</b>	<b>1,023.88</b>	<b>172.71</b>	-	-	<b>1.81</b>	<b>73.96</b>	<b>1,947.20</b>
Acquisitions	205.07	1,771.72	453.49	-	4.48	-	-	2,434.76
Additional Accruals	-	-	-	10.67	-	-	-	10.67
Gains / (Losses) recognised in profit or loss	33.43	52.69	(56.25)	(0.34)	(3.00)	6.01	75.63	108.17
Gains / (Losses) recognised in other comprehensive income	-	-	-	-	-	(0.02)	-	-
Exchange Fluctuations	-	-	-	-	-	-	1.67	1.65
Payments	-	-	-	-	-	-	-	-
Realisations	(23.45)	(222.08)	(4.16)	-	-	(7.80)	-	(257.49)
<b>As at March 31, 2020</b>	<b>889.89</b>	<b>2,626.21</b>	<b>565.79</b>	<b>10.33</b>	<b>1.48</b>	-	-	<b>4,093.70</b>
Acquisitions	662.35	248.20	2,479.17	5.57	-	-	-	3,395.28
Additional Accruals	-	-	-	-	-	-	-	-
Gains / (Losses) recognised in profit or loss	71.29	(139.23)	84.74	(0.86)	(1.48)	-	-	14.47
Gains / (Losses) recognised in other comprehensive income	-	-	-	-	-	-	-	-
Exchange Fluctuations	-	-	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-	-
Realisations	(72.14)	(122.89)	(8.35)	(2.04)	-	-	-	(205.42)
<b>As at March 31, 2021</b>	<b>1,551.39</b>	<b>2,612.29</b>	<b>3,121.35</b>	<b>13.00</b>	-	-	-	<b>7,298.04</b>

d) **Valuation Process**

The Company engages external valuation consultants to fair value below mentioned financial instruments measured at FVTPL. The main level 3 inputs used for investment in AIF / Venture capital fund, contingent consideration, term loans and debentures are as follows:

- 1) For Non Convertible Debentures and Term Loans, Waterfall approach has been used to arrive at the yields for securities held by the Company. For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted third party vendor for these data have been used.
- 2) For Alternative Investment Fund/Venture Capital Fund, Discounted cash flow method has been used to determine the fair value. The discounting factor has been computed using a mix of past trends as well as likely rate of return of the underlying projects.
- 3) For Contingent consideration, fair value has been estimated by allocating probability to achievement of financial milestones. Discount rate is determined using Capital Asset Pricing Model.

e) **Sensitivity for instruments:**

Nature of the instrument	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2020			
			Sensitivity Impact for the year ended March 31, 2021		Sensitivity Impact for the year ended March 31, 2020	
			FV Increase	FV Decrease	FV Increase	FV Decrease
Non Convertible Debentures	Discount rate	0.7%	3.11	(4.91)	5.05	
	Discount rate	0.7%	5.96	(8.12)	8.32	
Term Loans	Equity component	10%	-	(11.10)	34.33	
Alternative Investment Fund/Venture Capital Fund	Cash Flow	5%	-	2.38	(2.38)	

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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



55 Leases

(i) Amounts recognised in the balance sheet

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

(Rs. in Crores)						
Category of Asset	Opening as on April 1, 2020	Additions during 2020-21	Deductions during 2020-21	Depreciation for 2020-21	Foreign currency translation impact	Closing as on March 31, 2021
Building	166.41	76.42	6.25	55.47	1.20	182.30
Leasehold Land	5.78	0.14	0.00	0.11	-	5.81
Storage unit	0.48	-	-	0.40	-	0.08
Guest House	0.30	0.56	-	0.34	-	0.52
Equipments	0.65	0.65	-	0.50	0.03	0.76
IT Assets	8.03	-	-	4.11	-	3.92
<b>Total</b>	<b>181.65</b>	<b>77.77</b>	<b>6.25</b>	<b>60.94</b>	<b>1.23</b>	<b>193.40</b>

Lease liabilities as on 1st April, 2020 183.67

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020

(Rs. in Crores)						
Category of Asset	Opening as on April 1, 2019	Additions during 2019-20	Deductions during 2019-20	Depreciation for 2020-21	Foreign currency translation impact	Closing as on March 31, 2020
Building	423.21	8.08	176.14	92.97	4.23	166.41
Leasehold Land	5.85	-	-	0.07	-	5.78
Storage unit	1.08	-	-	0.60	-	0.48
Guest House	0.68	-	-	0.38	-	0.30
Equipments	0.93	-	-	0.32	0.04	0.65
IT Assets	12.37	-	-	4.34	-	8.03
<b>Total</b>	<b>444.12</b>	<b>8.08</b>	<b>176.14</b>	<b>98.68</b>	<b>4.27</b>	<b>181.65</b>

Lease liabilities as on 1st April, 2019 438.28

	(Rs. in Crores)	
	Year Ended	Year Ended
	March 31, 2021	March 31, 2020

(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)	14.83	26.76
Expense relating to short-term leases (included in Operating Expenses)	15.71	21.47
Expense relating to leases of low-value assets (other than short term leases as disclosed above) (included in Operating expenses)	22.11	17.34

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 45 of the 2019 Annual Report and the value of the lease liability as of April 1, 2019 was primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 ranges between 2.51% to 11.77%.

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

	(Rs. in Crores)	
	As at	As at
	March 31, 2021	March 31, 2020
1 year	67.35	57.15
1-3 years	81.73	77.41
3-5 years	47.85	27.29
More than 5 years	121.09	134.29

**56 (a) Discontinued operations**

**(i) Disposal of Healthcare Insights and Analytics business:**

During the previous year ended March 31, 2020, the Board of Directors of the Company, at their meeting held on January 17, 2020 approved the divestment of the entire stake in the Healthcare Insights and Analytics business (the "Transaction"), held by the Company directly and through its wholly owned subsidiaries, to Clarivate Analytics Plc. and its subsidiaries, for an aggregate consideration of approximately USD 950 million. Post the approval by shareholders of the Company at the Extra-ordinary General Meeting held on February 13, 2020 and receipt of necessary regulatory approvals, the Transaction was completed on February 28, 2020 (closing date). USD 900 million was received, on the closing date and the balance of USD 50 million ('deferred cash consideration') was receivable at the end of twelve months from the closing of the transaction, to be adjusted based on the conditions existing as at the end of aforesaid twelve months. Consequently, Profit before tax and tax expenses relating to the Healthcare Insights and Analytics business have been disclosed separately as Discontinued operations for the year ended 31 March 2020.

During the current year ended March 31, 2021, the Group has received the deferred cash consideration of USD 82.07 million.

As on March 31, 2020, Sale proceeds of one of subsidiary of Healthcare Insights and Analytics business was pending to be received, which was subsequently received during the current year. Hence the business of subsidiary was classified as held for sale as on March 31, 2020. The impairment loss of Rs. 14.78 Crores was recognised on reclassification of the assets and liabilities as held for sale during the year ended March 31, 2020.

**(ii) Analysis of profit/ (loss) for the year from discontinued operations:**

	<b>Rs. in Crores</b>
	<b>Year Ended</b>
	<b>March 31, 2020</b>
Revenue from operations	1,354.79
Other income	20.78
<b>Total Income (I)</b>	<b>1,375.57</b>
Employee benefits expense	775.64
Finance costs	-
Depreciation and amortization expense	-
Other expenses ,(Net)	731.67
<b>Total Expenses (II)</b>	<b>1,507.31</b>
<b>Profit/(Loss) before exceptional items and tax ((I)-(II))</b>	<b>(131.74)</b>
Add:Gain on disposal (net of transaction cost)	757.48
<b>Profit/(Loss) before tax</b>	<b>625.74</b>
Less:Tax expense	51.29
<b>Profit/(Loss) from discontinued operations after tax</b>	<b>574.45</b>
<b>Other Comprehensive Income and (Expense) (OCI)</b>	
(a) Deferred gains / (losses) on cash flow hedge	3.92
(b) Exchange differences on translation of financial statements	115.83
	119.75
<b>Total Comprehensive Income, net of tax expense</b>	<b>694.20</b>

**(iii) Cash flows from discontinued operations**

	<b>Rs. in Crores</b>
	<b>Year Ended</b>
	<b>March 31, 2020</b>
Net cash inflows/ (outflows) from operating activities	271.96
Net cash inflows/ (outflows) from investing activities	4,383.85
Net cash inflows/ (outflows) from financing activities	(4,743.71)

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to the Consolidated financial statements for the year ended March 31, 2021**

**56 (b) Disposal of a subsidiary**

	<b>Rs. in Crores</b>
	<b>Year Ended</b>
	<b>March 31, 2020</b>
<b>(i) Consideration received</b>	
Consideration received in cash and cash equivalents	6,477.88
Contingent consideration	425.17
<b>Total consideration received</b>	<b>6,903.05</b>
<b>(ii) Analysis of asset and liabilities over which control was lost as on date of sale:</b>	
	<b>Rs. in Crores</b>
	<b>As at March 31, 2020</b>
<b>Assets</b>	
Property, Plant & Equipment	30.53
Goodwill	5,079.21
Other Intangible Assets	276.28
Intangible Assets under development	28.63
Right Of Use Assets	152.23
Trade receivables	301.02
Other assets	164.71
<b>Total assets</b>	<b>6,032.61</b>
<b>Liabilities</b>	
Lease liabilities	155.28
Trade payables	27.30
Current tax liabilities	6.39
Deferred revenue	318.88
Other liabilities	49.38
<b>Total liabilities</b>	<b>557.23</b>
<b>Net assets disposed off</b>	<b>5,475.38</b>
<b>(iii) Gain on disposal</b>	
	<b>Rs. in Crores</b>
	<b>Year Ended</b>
	<b>March 31, 2020</b>
Consideration received	6,903.05
Less: Net assets disposed off	(5,475.38)
Less: transaction cost	(593.10)
Less: exchange loss in respect of net assets reclassified to profit & loss	(62.31)
<b>Gain on disposal</b>	<b>772.26</b>

The gain on disposal is included in profit/ (loss) for the year ended March 31, 2020 from discontinued operations (Refer note 56 (a))

**57 Investment Property**

Investment property, recorded at a carrying value of Rs. 1,297.63 Crores, consists of land development rights acquired during the year, without any restriction on its realisability and is being held for capital appreciation and eventual monetization by exploring various options.

In accordance with Ind AS 113, the fair value of investment property is determined by the Company at Rs. 1,579 Crores following the risk-adjusted discounted cash flow method and based on Level 3 inputs from an independent valuation

58 Business Combinations

**(i) Acquisition of G&W PA Laboratories LLC (G&W PA) (now known as PEL Healthcare LLC)**

The Group, through its subsidiary, PEL Pharma Inc, has acquired 100% stake in G&W PA Laboratories LLC (G&W PA) (now known as PEL Healthcare LLC) in an all cash deal for a total consideration of Rs. 132.29 Crores. Through this, the group has acquired the solid oral dosage drug product manufacturing facility of G&W PA, located in Sellersville, Pennsylvania. The transaction was closed on June 26, 2020.

**(a) Details of purchase consideration**

Particulars	USD in Million	Rs. in Crores
Cash paid	17.50	132.19
Working capital adjustment	0.01	0.10
<b>Total Purchase Consideration</b>	<b>17.51</b>	<b>132.29</b>

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

Particulars	USD in Million	Rs. in Crores
<b>Assets</b>		
Property, Plant and Equipment	15.97	120.60
Intangible assets - Computer Software	1.30	9.83
Trade Receivables	1.94	14.62
Cash and cash equivalents	0.12	0.90
Prepaid expenses	0.08	0.60
<b>Total Assets</b>	<b>19.40</b>	<b>146.55</b>
<b>Liabilities</b>		
Trade payable	0.91	6.83
<b>Total Liabilities</b>	<b>0.91</b>	<b>6.83</b>
<b>Net identifiable assets acquired</b>	<b>18.50</b>	<b>139.72</b>

**(c) Calculation of goodwill/ (Gain on bargain purchase)**

Particulars	USD in Million	Rs. in Crores
Consideration transferred	17.51	132.29
Less: Net identifiable assets acquired	18.50	139.72
<b>Gain on bargain purchase</b>	<b>(0.99)</b>	<b>(7.43)</b>

**(d) Acquired Receivables**

Particulars	USD in Million	Rs. in Crores
Fair value of acquired trade receivables	1.94	14.62
Gross contractual amount for trade receivables	1.94	14.62
Contractual cash flows not expected to be collected	-	-

**(f) Revenue and profit contribution**

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

Particulars	USD in Million	Rs. in Crores
Revenue	14.78	109.70
Profit/(Loss) before tax	(0.95)	(7.08)

**(g) Acquisition costs charged to P&L**

Acquisition costs of Rs. 2.96 Crores (USD 0.40 million) were charged to Consolidated Statement of Profit and Loss for the period ended March 31, 2021 in relation to the acquisition under the head - Other expenses.

**(h) Purchase consideration - cash outflow**

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

**Piramal Enterprises Limited**

**Notes to the Consolidated financial statements for the period ended March 31, 2021**

**(ii) Acquisition of Convergence Chemicals Private Limited ('CCPL')**

Piramal Pharma Ltd. has acquired 51% stake in CCPL from Piramal Enterprises Ltd. through business transfer agreement entered on October 06, 2020. The Group had accounted the investment using equity accounting method.

On February 24, 2021, Piramal Pharma Ltd. 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 subsidiary of the group.

**(a) Details of purchase consideration**

Particulars	Rs. in Crores
Consideration for additional stake	65.10
Fair value of previously held interest	67.76
<b>Total Purchase Consideration</b>	<b>132.86</b>

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

Particulars	Rs. in Crores
<b>Assets</b>	
Property, Plant & Equipment	164.75
Capital Work in Progress	0.04
Intangible Assets	0.33
Right of use assets	17.29
Other financial assets- non current	0.18
Other non-current assets	0.06
Inventories	15.28
Trade receivables	21.74
Cash and cash equivalents	10.42
Bank balances other than above	3.12
Other Financial Assets- current	0.03
Other current assets	3.25
<b>Total Assets</b>	<b>236.49</b>
<b>Liabilities</b>	
Non- current borrowings	51.50
Lease liability- non current	0.52
Provisions- non current	0.11
Deferred tax liabilities	8.10
Current borrowings	6.14
Trade payables	8.32
Other financial liabilities	22.15
Lease liability- current	0.19
Other Current Liabilities	3.07
Provisions- Current	0.90
Current Tax Liabilities (Net)	3.13
<b>Total Liabilities</b>	<b>104.13</b>
<b>Net identifiable assets acquired</b>	<b>132.36</b>

**(c) Calculation of goodwill**

Particulars	Rs. in Crores
Consideration transferred	132.86
Add: Deferred tax liability recognised on Property, plant and equipment	7.58
Less: Net identifiable assets acquired	132.36
<b>Goodwill#</b>	<b>8.08</b>

# Goodwill is not deductible for tax purpose

**(d) Acquired Receivables**

Particulars	Rs. in Crores
Fair value of acquired trade receivables	21.74
Gross contractual amount for trade receivables	21.74
Contractual cash flows not expected to be collected	-

**(e) Revenue and profit contribution**

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

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

**(f) Acquisition costs charged to P&L**

Acquisition cost of Rs. \* Crores were charged to Consolidated Statement of Profit and Loss for the period ended March 31, 2021 in relation to acquisition of CCPL under the head - "Other Expenses"

**(g) Purchase consideration - cash outflow**

Particulars	Rs. in Crores
Outflow of cash to acquire subsidiary	
Total value for 100% stake	132.86
Less : Previously held stake	(67.76)
<b>Net outflow of cash - investing activities</b>	<b>65.10</b>

\* below r/off norms adopted by group

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the Consolidated financial statements for the year ended March 31, 2021**

**59** The Group operates an incentive plan arrangement for certain employees of certain subsidiaries. The scheme provides a cash payment to the employees based on a specific number of phantom shares at grant and share price of Piramal Enterprises Limited, the ultimate parent company at the vesting date. The Cash payment is dependent on the performance of the underlying shares of Piramal Enterprises Limited and continued employment on vesting date. The fair values of the award is calculated using the Black Scholes model at the grant date. The fair value is updated at each reporting date as the awards are accounted as cash settled plan. The inputs to the models are based on the Piramal Enterprises Limited historic data, the risk free rate and the weighted average fair value of shares in the scheme at the reporting date. The amount expensed/ (reversed) in the current year relating to the plan is Nil (Previous Year: Nil). The Group considers these amount as not material and accordingly has not provided further disclosures as required by IND AS 102 "Share Based Payments".

**60 (a)** (i) On December 19, 2019, 115,894 Compulsorily Convertible Debentures ("CCD") having face value of Rs. 151,000 per CCD were allotted to Caisse de dépôt et placement du Québec for an aggregate amount of Rs. 1,749.99 crores. Each CCD is convertible into 100 equity shares having face value of Rs. 2 each.

(ii) On October 25, 2017, 464,330 Compulsorily Convertible Debentures ("CCD") having face value of Rs. 107,600 per CCD were allotted to the CCD holders for an aggregate amount of Rs. 4,996.19 crores. Each CCD was convertible into 40 equity shares of Rs. 2 each. 225,000 equity shares were allotted by the Company pursuant to optional conversion of 5,625 CCDs by the CCD holders and 4,162,000 equity shares were allotted by the Company pursuant to optional conversion of 104,050 CCDs by the CCD holders during the year ended March 31, 2018 and March 31, 2019, respectively. During the three months ended June 30, 2019, 548,120 equity shares were allotted by the Company pursuant to optional conversion of 13,703 CCDs and 13,638,080 Equity shares were allotted pursuant to compulsory conversion of outstanding 340,952 CCDs on maturity, respectively.

**60 (b)** (i) On December 24, 2019, the Company offered 27,929,649 equity shares under Rights Issue at a price of Rs.1,300 per share (including premium of Rs.1,298 per share). Out of the aforesaid issue, 26,385,861 equity shares were allotted by the Company on January 29, 2020 and 1,535,944 Rights Equity shares have been reserved for the CCD Holder (as per regulation 74(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018) and 7,844 Rights Equity Shares have been kept in abeyance.

(ii) On March 8, 2018, the Company had issued 8,310,275 equity shares under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share). Out of this rights issue, 11,298 and 7,485,574 equity shares were allotted by the Company during the year ended March 31, 2019 and year ended March 31, 2018, respectively.

During the three months ended June 30, 2019 and September 30, 2019, 213,392 and 66 equity shares, respectively, were allotted by the Company under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share) to the CCD holders out of the Right Equity shares reserved for them (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and shares held in abeyance.

As on March 31, 2020, 24,573 Rights equity shares have been kept in abeyance. 575,372 Rights equity shares reserved for the CCD holders (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) have not been subscribed by them and these unsubscribed rights shall be dealt with by the Board of Directors of the Company, in accordance with the law and hence are considered to be dilutive in nature.

**60 (c)** Proceeds from the rights issue have been utilised upto March 31, 2020 in the following manner :

Particulars	(Rs. in Crores)	
	Planned	Actual till 31/03/2020
a) Repayment or prepayment, in full or in part, of certain borrowings in Piramal Enterprises Ltd & Piramal Capital Housing Finance Ltd	2,900.00	2,900.00
b) General Corporate Purposes	718.31	517.62
Add: Issue related expenses #	12.54	12.54
<b>Total</b>	<b>3,630.85</b>	<b>3,430.16</b>
Less : Rights Shares held in Abeyance (Refer note 58 (b))	(1.02)	-
Less : Rights Shares reserved in favour of Compulsorily Convertible Debenture Holders (Refer note 58 (a))	(199.67)	-
<b>Total</b>	<b>3,430.16</b>	<b>3,430.16</b>

# Issue expenses of Rs.14.77 Crores were incurred as against the estimated expenses of Rs. 12.54 Crores.

**61** The National Company Law Tribunal had approved a "Scheme of Amalgamation" ("Scheme") of Piramal Phytocare Limited ("Transferor company"), an associate of the Company, with the Company and its respective shareholders vide it's order dated November 4, 2019 . Pursuant to the necessary filings with Registrar of Companies, Mumbai, the Scheme has become effective from December 2, 2019 with the appointed date of April 1, 2018. As prescribed by the Scheme, 305,865 equity shares of the Company of Rs. 2/- each were issued to the shareholders of Transferor Company on December 13, 2019, as a consideration in the ratio of 1 fully paid up equity share of Rs 2 each of the Company for every 70 equity shares of Rs 10 each held in transferor Company.

The amalgamation has been accounted for under the "pooling of interest" method referred to in Appendix C of Ind AS 103 - Business Combinations of Entities under Common Control, as prescribed by the Scheme. Accordingly, all the assets, liabilities and reserves of transferor company as on April 01, 2018 have been aggregated with those of the Company at their respective book values. The difference of Rs.21.35 Crores between the net value of assets, liabilities and reserves of the transferor company acquired and the sum of (a) the face value of new shares issued and allotted pursuant to merger and (b) the carrying value of investment of the Company in equity shares of transferor Company being cancelled was transferred to capital reserve of the Company, as prescribed by the Scheme. The impact of merger was not significant on the financial statements and EPS of the Company.

The book value of assets, liabilities and reserves taken over from the transferor companies as on the appointed date were transferred to the Company as mentioned below:

Particulars	(Rs. In Crores)	
<b>Assets</b>		
Non-Current Assets		
Property, Plant & Equipment	0.31	
Investments	4.55	
Other Non Current Assets	0.31	5.17
Current Assets		
Inventories	0.32	
Financial Assets:		
Trade Receivables	1.00	
Cash & Cash equivalents	1.98	
Bank balances other than above	0.00	
Other Financial Assets	0.21	
Other Current Assets	3.96	7.47
<b>Total Assets (I)</b>		<b>12.64</b>



**PIRAMAL ENTERPRISES LIMITED****Notes to the Consolidated financial statements for the year ended March 31, 2021**

The book value of assets, liabilities and reserves taken over from the transferor companies as on the appointed date were transferred to the Company as mentioned below (Continued):

<b>Particulars</b>	<b>(Rs. In Crores)</b>	
Liabilities		
Non-Current Liabilities		
Provisions	0.45	0.45
Current Liabilities		
Financial Liabilities:		
Trade payables	2.90	
Other Financial Liabilities	1.18	
Other Current Liabilities	19.94	
Provisions	1.05	25.07
<b>Total Liabilities (II)</b>		<b>25.52</b>
Reserves		
Securities Premium	2.50	
Surplus in Statement of Profit and Loss	(41.34)	<b>(38.84)</b>
<b>Total Reserves (III)</b>		<b>(38.84)</b>
Net value of Assets, liabilities and reserves (I-II-III)		25.96
Less: Carrying value of investment of the Company in equity shares of transferor Company being cancelled		(4.55)
Less: Face value of new shares issued and allotted pursuant to merger		(0.06)
<b>Amount Credited to Capital Reserves (Refer Statement of Changes in Equity)</b>		<b>21.35</b>

**62** The financial statements have been approved for issue by Company's Board of Directors on May 13, 2021.

Signature to note 1 to 62 of the Consolidated financial statements.

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



**Ajay G. Piramal**  
Chairman  
London, May 13, 2021



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 13, 2021



**Bipin Singh**  
Company Secretary  
Mumbai, May 13, 2021

## INDEPENDENT AUDITOR'S REPORT

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

#### Opinion

We have audited the accompanying standalone financial statements of Piramal Enterprises 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 year then ended, and a summary of significant accounting policies and other explanatory information.

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

#### Basis for Opinion

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

#### Emphasis of Matter

As more fully described in note 2(b)(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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Impairment loss allowance on loans and investment pertaining to finance business.</p> <p>Charge to the statement of profit and loss of (Rs.162.84) crores. Provision: Rs. 246.08 crores as at March 31, 2021</p> <p>[Refer to Note 2(a)(vii), 2(b)(iii) and 47(f) to the standalone financial statements]</p>	
	<p>The Company as part of its financial services segment offers long term and short-term wholesale lending primarily to the real estate and infrastructure sector. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Company applies the expected credit loss (ECL) model for recognising impairment loss.</p> <p>The Company's assessment of expected credit loss involves use of judgements and estimates, such as determination of probability of default (PD), determination of the staging, loss given default (LGD), exposure at default (EAD), estimating Management overlay for economic uncertainty expected to result from COVID 19 pandemic, forward looking information and macro-economic factors, in computing the ECL on loans and investments.</p> <p>We identified impairment of loan and investment portfolio in finance business as a key audit matter, because the Company exercises significant judgment in calculating the expected credit losses.</p>	<p>We performed the following key audit procedures:</p> <p>a) We held discussions with the Management and evaluated management's assessment of the ECL provision at each stage including assessment of COVID-19 impact, to determine if the provision was reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.</p> <p>b) We evaluated the design of internal controls relating to the computation of ECL provision, the key assumptions (i.e., staging, EAD, PD and LGD rates) and other inputs used therein, including macro-economic factors</p> <p>c) We selected a sample of loan contracts and tested the operating effectiveness of controls over computation of ECL provision, the key assumptions and inputs used therein, through inspection of evidence of performance of these controls or independently re-performing the control.</p> <p>d) Through a sample of loan contracts, we performed substantive procedures, to evaluate adequacy of ECL provisioning made.</p>
2.	<p>Recoverable value assessment of Investment Property (Land Development Rights) - Carrying Value of Rs. 1,297.63 crore and Recoverable Value of Rs 1,579 crore.</p> <p>[Refer to Note 2a(v), 2b (iv) and Note 45 to the standalone financial statements]</p>	

	<p>The Company has acquired development rights for certain land parcels which are classified as Investment Property and held for capital appreciation.</p> <p>The management while determining the recoverable value has exercised significant judgments and estimates relating to expected revenue, related cost and risk-adjusted discount rates.</p> <p>We have identified recoverable value assessment of investment property as a key audit matter for the current year audit as the Company exercises significant judgement in estimating the recoverable value of investment property.</p>	<p>We performed the following key audit procedures:</p> <p>a) Obtained understanding of management’s process and evaluated design and tested operating effectiveness of controls for determination of recoverable value of the investment property.</p> <p>b) Performed physical verification of the underlying Investment Property and corroborated the saleable area with the Letter of intent and independent architect certificate obtained by the management.</p> <p>c) Obtained the recoverable value working prepared by the management basis the inputs from an independent valuation expert for the project to evaluate the appropriateness of the underlying data, methodology applied and assumption used by the management for determining the recoverable value of investment property. We have also involved internal valuation specialist, to evaluate the appropriateness of the key assumptions used by the management for determining the recoverable value of investment property.</p>
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**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 Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance, 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - 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, and having regard to independent legal opinions obtained by the Company, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to 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 has been no delay in transferring amounts, 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: 21046930AAAACS16711)

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 Enterprises 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 Enterprises Limited (“the Company”) as of 31 March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls 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 the 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 the ICAI.

For **Deloitte Haskins & Sells LLP**

**Chartered Accountants**

(Firm's Registration No.117366W/W-100018)



Rupen K. Bhatt

**(Partner)**

(Membership No. 046930)

(UDIN: 21046930AAAACS1671)

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 and investment property.

(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 and investment property 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 sale deed / transfer deed / conveyance deed/ Court Orders approving scheme of arrangements/amalgamations / confirmation from custodians provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date. Further, based on examination of Letter of intent, independent architect certificate, the purchase agreements executed by the Company and deeds of transfer, we report that, the investment property in the nature of land development rights is held in name of the Company. In respect of immovable properties of acquired land and buildings that have been taken on lease in the financial statements, 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 including stocks with clearing and forwarding agents, and 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:

(vii)(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.

(vii)(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.

(vii)(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service tax and Value Added Tax which have not been deposited as on March 31, 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)
Income Tax Act 1961	Income Tax	Appellate Tribunal	A.Y. 2002-03 to 2007-08,	66.19	6.65
		Appellate Authority upto Commissioner's level	A.Y. 2005-06, 2006-07, A.Y. 2010-11 to A.Y. 2012-13 , A.Y. 2014-15 and AY 2016-17	30.46	4.78
		High Court	A.Y. 2008-09 ;2009-10 and 2010-11, 2017-18	67.02	-
Central Excise Laws	Excise Duty & Service Tax including interest and penalty, as applicable.	CESTAT	1996-97 to 2000-01, 2004-05 to 2017-18	55.96	54.88
		Appellate Authority upto Commissioner's level	1989-90, 1995-96, 1998-99, 2000-01, 2004-05 to 2005-06 and 2011-12	0.37	0.33

Sales Tax Laws	Sales Tax	High Court	2009-10	0.71	0.32
		Tribunal	1990-91, 1995-96, 1997-98 to 2004-05, 2006-07 to 2010-11, 2012-13 to 2014-15 and 2016-17	4.58	2.61
		Appellate Authority upto Commissioner's level	1998-99 to 2015-16 and 2017-18 to 2018-19	10.27	6.98

(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 to financial institutions and banks, and dues to debenture holders. The Company has not taken any loans or borrowings from the government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised.

(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, and having regard to independent legal opinions obtained by the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V 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) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(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: 21046930AAAACS1671)

Place: Mumbai

Date: 1 June 2021

**PIRAMAL ENTERPRISES LIMITED**  
**Balance Sheet as at March 31, 2021**

	Note No.	As at March 31, 2021 Rs. in Crores		As at March 31, 2020 Rs. in Crores	
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
(a) Property, Plant & Equipment	3		67.63		1,384.79
(b) Capital Work in Progress			1.31		62.80
(c) Intangible Assets	3		4.37		357.54
(d) Intangible Assets Under Development			-		56.63
(e) Right-of-Use Asset	44		19.20		46.93
(f) Investment property	45		1,297.63		-
(g) Financial Assets:					
(i) Investments	4	19,000.75		18,452.21	
(ii) Loans	6	6,553.69		10,869.25	
(iii) Other Financial Assets	7	49.54	25,603.98	23.70	29,345.16
(h) Deferred Tax Assets (Net)	5		121.36		34.88
(i) Other Non-Current Assets	8		448.66		456.25
<b>Total Non-Current Assets</b>			<b>27,564.14</b>		<b>31,744.98</b>
<b>Current Assets</b>					
(a) Inventories	9		102.04		423.56
(b) Financial Assets:					
(i) Investments	4	824.54		986.71	
(ii) Trade Receivables	10	155.08		657.10	
(iii) Cash & Cash Equivalents	11	893.24		43.66	
(iv) Bank Balances Other Than (iii) above	12	72.87		35.08	
(v) Loans	13	307.00		80.12	
(vi) Other Financial Assets	14	685.00	2,937.73	95.16	1,897.83
(c) Assets held for sale			-		10.00
(d) Other Current Assets	15		94.17		399.50
<b>Total Current Assets</b>			<b>3,133.94</b>		<b>2,730.89</b>
<b>TOTAL ASSETS</b>			<b>30,698.08</b>		<b>34,475.87</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	16	45.11		45.11	
(b) Other Equity	17	23,138.63		22,582.87	
<b>Total Equity</b>			<b>23,183.74</b>		<b>22,627.98</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
(a) Financial Liabilities:					
(i) Borrowings	18	3,386.21		2,389.78	
(ii) Lease Liabilities	44	9.53	3,395.74	22.90	2,412.68
(b) Provisions	19		20.29		47.24
(c) Other Non-Current Liabilities	20		86.31		141.75
<b>Total Non-Current Liabilities</b>			<b>3,502.34</b>		<b>2,601.67</b>
<b>Current Liabilities</b>					
(a) Financial Liabilities:					
(i) Borrowings	21	2,475.46		4,061.75	
(ii) Trade Payables					
Total outstanding dues of Micro enterprises and small enterprises		4.16		11.86	
Total outstanding dues of creditors other than Micro enterprises and small enterprises		433.25		605.96	
(iii) Lease Liabilities	44	11.90		19.90	
(iv) Other Financial Liabilities	22	865.88	3,790.65	4,228.43	8,927.90
(b) Other Current Liabilities	23		59.78		125.41
(c) Provisions	24		15.67		46.17
(d) Current Tax Liabilities (Net)	25		145.90		146.74
<b>Total Current Liabilities</b>			<b>4,012.00</b>		<b>9,246.22</b>
<b>Total Liabilities</b>			<b>7,514.34</b>		<b>11,847.89</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>			<b>30,698.08</b>		<b>34,475.87</b>

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



**Ajay G. Piramal**  
Chairman  
London, May 13, 2021



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 13, 2021



**Bipin Singh**  
Company Secretary  
Mumbai, May 13, 2021

**PIRAMAL ENTERPRISES LIMITED**  
**Statement of Profit and Loss for the Year ended March 31, 2021**

	Note No.	Year Ended March 31, 2021 Rs. in Crores	Year Ended March 31, 2020 Rs. in Crores
Revenue from operations	26	1,824.70	2,012.89
Other Income	27	95.76	665.12
<b>Total Income</b>		<b>1,920.46</b>	<b>2,678.01</b>
<b>Expenses</b>			
Cost of materials consumed	28	332.74	121.01
Purchases of Stock-in-Trade	29	159.52	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(53.32)	(15.44)
Employee benefits expense	31	81.99	92.72
Finance costs	32	1,068.77	1,710.06
Depreciation and amortization expense	3 & 44	32.82	41.94
Expected Credit Loss on Financial Assets (including Commitments)	47(f)	(162.84)	327.88
Other expenses	33	271.63	124.20
<b>Total Expenses</b>		<b>1,731.31</b>	<b>2,402.37</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>189.15</b>	<b>275.64</b>
Exceptional Items	34	(258.35)	-
<b>Profit/ (Loss) before Tax</b>		<b>(69.20)</b>	<b>275.64</b>
Less: Income Tax Expense	50		
Current tax		(9.31)	66.59
Tax adjustment for earlier Years		-	385.62
Deferred Tax (Net)		60.33	(61.81)
		<b>51.02</b>	<b>390.40</b>
<b>Loss after Tax from Continued Operations</b>		<b>(120.22)</b>	<b>(114.76)</b>
<b>Income from Discontinued operations</b>		<b>160.12</b>	<b>259.61</b>
<b>Profit after Tax</b>		<b>39.90</b>	<b>144.85</b>
<b>Other Comprehensive Income / (Expense) (OCI), net of tax expense:</b>	35		
<b>A. Items that will not be reclassified to profit or loss</b>			
Changes in fair values of equity instruments through OCI		363.31	(1,359.46)
Remeasurement of Post Employment Benefit Obligations		(3.21)	(3.21)
Income Tax Impact on above		10.43	0.81
		<b>370.53</b>	<b>(1,361.86)</b>
<b>B. Items that will be reclassified to profit or loss</b>			
Deferred gains / (losses) on cash flow hedge on continuing operations		7.31	(24.01)
Deferred gains / (losses) on cash flow hedge on discontinued operations		6.08	-
Income Tax Impact on above		(3.37)	6.04
		<b>10.02</b>	<b>(17.97)</b>
<b>Total Other Comprehensive Income / (Expense) (OCI) for the Year</b>		<b>380.55</b>	<b>(1,379.83)</b>
<b>Total Comprehensive Income / (Loss) for the Year</b>		<b>420.45</b>	<b>(1,234.98)</b>
<b>Earnings Per Equity Share (EPS) (Face Value of Rs.2/- each)</b>			
<b>For Continuing Operations</b>			
a) Basic EPS for the year (Rs.)	43	(5.07)	(5.44)
a) Diluted EPS for the year (Rs.)	43	(5.07)	(5.44)
<b>For Discontinued Operations</b>			
a) Basic EPS for the year (Rs.)	43	6.75	12.32
a) Diluted EPS for the year (Rs.)	43	6.75	12.32
<b>For Continuing and Discontinued Operations</b>			
a) Basic EPS for the year (Rs.)	43	1.68	6.87
a) Diluted EPS for the year (Rs.)	43	1.68	6.87

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

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

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



**Ajay G. Piramal**  
Chairman  
London, May 13, 2021



**Rupen K. Bhatt**  
Partner  
Membership Number: 046930  
Mumbai, June 01, 2021



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 13, 2021



**Bipin Singh**  
Company Secretary  
Mumbai, May 13, 2021

**PIRAMAL ENTERPRISES LIMITED**  
**Cash Flow Statement for the year Ended March 31, 2021**

	Year Ended March 31, 2021 Rs. in Crores	Year Ended March 31, 2020 Rs. in Crores
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before exceptional items and tax from continuing operations	189.15	275.64
Profit before exceptional items and tax from discontinuing operations	226.11	264.19
Adjustments for :		
Depreciation and amortisation expense	94.95	175.46
Provision written back	(2.40)	(120.28)
Finance Costs in relation to compulsory convertible debentures considered separately	15.62	7.90
Finance Costs attributable to other than financial services operations	2.99	493.74
Provision on diminution in value of investment	64.45	-
Interest Income on Financial assets	(43.04)	(264.99)
Dividend on Equity Instruments	(75.54)	-
Measurement of financial assets at FVTPL	(22.57)	18.69
Loss/ (Gain) on Sale of Property Plant and Equipment	0.10	(0.25)
Provision for Inventories	(5.34)	35.63
Profit on Sale of Investment (Net)	(4.26)	(18.31)
Impairment on Financial instruments (including Commitments)	(162.84)	327.88
Expected Credit Loss on Trade Receivables	4.75	8.08
Provision for doubtful loans and advances	37.12	-
Bad debt recovery	-	(1.42)
Unrealised foreign exchange gain	(11.89)	(315.74)
<b>Operating Profit Before Working Capital Changes</b>	<b>307.36</b>	<b>886.23</b>
Adjustments For Changes In Working Capital :		
Adjustments for (increase) / decrease in operating assets		
- Trade receivables	(112.41)	18.05
- Other Current Assets	110.31	(108.90)
- Other Non Current Assets	(1.71)	12.27
- Other Financial Assets - Non-Current	(14.38)	8.63
- Other Financial Assets - Loans - Non-Current	1,958.98	(3,012.86)
- Inventories	(203.35)	(96.30)
- Other Financial Assets - Current	(32.87)	191.90
- Other Financial Assets - Loans - Current	58.10	42.90
- Amounts realised from Debentures and Alternate Investment Funds (Net)	388.72	3,070.20
- Amounts invested in Mutual Funds, net	(250.01)	-
Adjustments for increase / (decrease) in operating liabilities		
- Trade Payables	346.94	167.90
- Non-Current provisions	3.27	7.37
- Other Current Financial Liabilities	23.59	10.64
- Other Current Liabilities	(46.11)	60.54
- Current provisions	(30.38)	3.77
- Other Non-current Liabilities	(55.44)	16.59
- Interest accrued	(115.00)	(81.87)
<b>Cash Generated from Operations</b>	<b>2,335.61</b>	<b>1,197.06</b>
- Taxes Paid (Net of Refunds)	(78.94)	(63.55)
<b>Net Cash Generated from Operating Activities *</b>	<b>2,256.67</b>	<b>1,133.51</b>
* includes interest received Rs. 1,146.53 Crores (Previous year Rs. 1,113.75 Crores), Dividend Received Rs. 8.39 Crores (Previous year Rs. 637.54 Crores) and interest paid during the year Rs. 1,165.16 Crores (Previous year Rs. 1,134.45 Crores) pertaining to financial services operations.		
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investment in subsidiary (net of transaction cost)	-	116.27
Proceeds from of sale of pharmaceutical business, net of expenses	3,452.90	-
(Purchase)/ sale of investment held at FVTOCI	(600.29)	2,252.41
Payments for Purchase of Property Plant and Equipment / Intangible Assets	(62.48)	(85.73)
Proceeds from Sale of Property Plant and Equipment / Intangible Assets	0.03	0.74
Payments for acquisition of Investment property	(1,297.63)	-
Interest Received	99.97	376.39
Bank balances not considered as Cash and cash equivalents		
- Fixed deposits placed	(87.83)	(1,595.33)
- Matured	52.80	1,617.01
Other Bank Balances	(38.79)	(7.93)
Dividend on Equity Investments	67.99	-
Proceeds of asset (held for sale)	10.00	-
Purchase of Equity Investments in subsidiaries and Joint ventures	(884.96)	(726.35)
Loans/ debentures repayment from / (given to) related parties, net	1,967.23	(73.40)
Release of escrow deposit	-	12.80
<b>Net Cash Generated from / (used in) Investing Activities</b>	<b>2,678.94</b>	<b>1,886.88</b>

**PIRAMAL ENTERPRISES LIMITED**  
**Cash Flow Statement for the year Ended March 31, 2021**

	<b>Year Ended March 31, 2021 Rs. in Crores</b>	<b>Year Ended March 31, 2020 Rs. in Crores</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Non-Current Borrowings		
- Receipts	4,156.84	5,990.23
- Payments	(6,217.22)	(10,308.34)
Proceeds from Current Borrowings		
- Receipts	16,676.38	54,263.69
- Payments	(16,583.47)	(58,442.37)
Lease payments		
- Principal	(19.28)	(27.58)
- Interest	(2.99)	(4.79)
Coupon Payment on Compulsorily Convertible Debentures	(160.19)	(150.67)
Proceeds from Compulsorily Convertible Debentures	-	1,749.99
Proceeds from Right Issue	-	3,480.95
Rights share issue expenses	-	(14.77)
Expenses incurred on issue of Compulsorily Convertible Debentures	-	(5.45)
Expenses incurred on conversion of Compulsorily Convertible Debentures	-	(3.82)
Finance Costs Paid (other than those attributable to financial services operations)	-	(513.77)
Dividend Paid	(315.75)	(556.77)
Dividend Distribution Tax Paid	-	(0.09)
<b>Net Cash used in Financing Activities</b>	<b>(2,465.68)</b>	<b>(4,543.56)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents [(A)+(B)+(C)]</b>	<b>2,469.93</b>	<b>(1,523.17)</b>
<b>Cash and Cash Equivalents as at April 1</b>	<b>(1,576.69)</b>	<b>(53.52)</b>
<b>Cash and Cash Equivalents as at March 31</b>	<b>893.24</b>	<b>(1,576.69)</b>
<b>Cash and Cash Equivalents Comprise of :</b>		
Cash on Hand	0.01	0.07
Bank Overdraft	-	(1,620.35)
Balance with Scheduled Banks in Current Accounts	893.23	43.59
	<b>893.24</b>	<b>(1,576.69)</b>

**Notes:**

1. During the previous year, the company had converted its Rs. 1,900 Crores of loan given to its wholly owned subsidiary, PHL Fininvest Private Limited ("Fininvest") into equity shares.
2. During the previous year, the company had converted its Rs. 900 Crores of loan given to its wholly owned subsidiary, Piramal Capital & Housing Finance Limited into equity shares.
3. During the year, Company has received shares of Piramal Pharma Limited having value of Rs. 86.44 Crores as a consideration towards sale of investment in Piramal Healthcare Inc (Refer Note 53(b))

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**



**Ajay G. Piramal**  
Chairman  
London, May 13, 2021



**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 13, 2021



**Bipin Singh**  
Company Secretary  
Mumbai, May 13, 2021

**PIRAMAL ENTERPRISES LIMITED**  
Statement of Changes in Equity for the Year ended March 31, 2021

**A. Equity Share Capital (Refer Note 16):**

Particulars	Rs. in Crores
Balance as at April 1, 2019	36.89
Changes in Equity Share Capital during the year (Refer note 52(a), 52(b) and 52(d))	8.22
<b>Balance as at March 31, 2020</b>	<b>45.11</b>
Changes in Equity Share Capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>45.11</b>

**B. Other Equity (excluding share application money pending allotment):**

Particulars	Notes	Equity Component of Compulsorily Convertible Debentures	Reserves & Surplus					Other Items in OCI			Total
			Capital Reserve	Securities Premium	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedging Reserve	FVTOCI - Equity Instruments	
Balance as at April 01, 2019		3,359.71	2,379.74	2,950.68	61.73	1,516.88	5,798.55	1,658.26	3.65	1,721.60	19,450.80
Profit after tax for the year		-	-	-	-	-	-	144.85	-	-	144.85
Other Comprehensive Expense (net of tax expense) for the year		-	-	-	-	-	-	(2.40)	(17.97)	(1,359.46)	(1,379.83)
Issue and conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note 52(a))		(1,832.36)	-	3,295.69	-	-	-	-	-	-	1,463.33
Rights Issue of Equity shares (Refer note 52 (b))		-	-	3,475.65	-	-	-	-	-	-	3,475.65
Transfer on sale FVTOCI-Designated Instruments (Refer note 4)		-	-	-	-	-	-	670.40	-	(670.40)	-
On account of adoption of IND AS 116 during the year (Refer note 44)	17	-	-	(14.77)	-	-	-	3.52	-	-	3.52
Expenses incurred on rights issue of equity shares		-	-	(3.82)	-	-	-	-	-	-	(14.77)
Expenses incurred on conversion of Compulsorily Convertible Debentures		-	-	-	-	(694.35)	-	694.35	-	-	(3.82)
Transfer from Debt Redemption Reserve		-	-	-	-	-	-	(556.77)	-	-	-
Dividend paid during the year		-	-	-	-	-	-	(0.09)	-	-	(556.77)
Dividend Distribution Tax thereon (Net of DDT paid of Rs.114.35 crores by subsidiary companies)		-	-	-	-	-	-	(0.09)	-	-	(0.09)
<b>Balance as at March 31, 2020</b>		<b>1,527.35</b>	<b>2,379.74</b>	<b>9,703.43</b>	<b>61.73</b>	<b>822.53</b>	<b>5,798.55</b>	<b>2,612.12</b>	<b>(14.32)</b>	<b>(308.26)</b>	<b>22,582.87</b>

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Particulars	Notes	Equity Component of Compulsorily Convertible	Reserves & Surplus					Other Items in OCI			Total
			Capital Reserve	Securities Premium	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedging Reserve	FVTOCI - Equity Instruments	
Balance as at April 01, 2020		1,527.35	2,379.74	9,703.43	61.73	822.53	5,798.55	2,612.12	(14.32)	(308.26)	22,582.87
Profit after tax for the year		-	-	-	-	-	-	39.90	-	-	39.90
Other Comprehensive Expense (net of tax expense) for the year		-	-	-	-	-	-	(3.24)	10.02	373.77	380.55
<b>Total Comprehensive Income/(Loss) for the year</b>	17	-	-	-	-	-	-	<b>36.66</b>	<b>10.02</b>	<b>373.77</b>	<b>420.45</b>
Transfer from Debt Redemption Reserve		-	-	-	-	(818.37)	-	818.37	-	-	-
On account of sale of pharma business to Piramal Pharma Limited (Refer note 53)		-	446.76	-	-	-	-	-	4.30	-	451.06
Dividend paid during the year		-	-	-	-	-	-	(315.75)	-	-	(315.75)
<b>Balance as at March 31, 2021</b>		<b>1,527.35</b>	<b>2,826.50</b>	<b>9,703.43</b>	<b>61.73</b>	<b>4.16</b>	<b>5,798.55</b>	<b>3,151.40</b>	<b>-</b>	<b>65.51</b>	<b>23,138.63</b>

**C. Share application money pending allotment (Refer Note 17):**

Particulars	Rs. in Crores
Balance as at April 1, 2019	4.24
Movement during the year	(4.24)
<b>Balance as at March 31, 2020</b>	<b>-</b>
Movement during the year	-
<b>Balance as at March 31, 2021</b>	<b>-</b>

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

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

  
**Rupen K. Bhatt**  
Partner  
Membership Number: 046930  
Mumbai, June 01, 2021

  
**Vivek Valsaraj**  
Chief Financial Officer  
Mumbai, May 13, 2021

  
**Ajay G. Piramal**  
Chairman  
London, May 13, 2021

  
**Bipin Singh**  
Company Secretary  
Mumbai, May 13, 2021



**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

**1. GENERAL INFORMATION**

Piramal Enterprises Limited (PEL) (including its subsidiaries) is one of India's large diversified companies, with a presence in Pharmaceuticals and Financial Services.

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.

In Financial Services, Group provides comprehensive financing solutions to various companies. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance, and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals - Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). The Group has also launched Distressed Asset Investing platform that invests in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. The Group also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoe Cambridge (CDPQ). The Group has long term equity investments in Shriram Group, a leading financial conglomerate in India.

PEL is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. It is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

**2a. SIGNIFICANT ACCOUNTING POLICIES**

**i) Basis of preparation of financial statements**  
**Compliance with Ind AS**

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

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

**Historical Cost convention**

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

**ii) Investments in subsidiaries, associates, joint operations and joint ventures**

**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 is not control or joint control over those policies.

**Joint Arrangements:**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has only joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings, if any.

Investments in Subsidiaries, Associates and Joint ventures are accounted at cost.

**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.

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

**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:

<b>Asset Class</b>	<b>Useful life</b>
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
Helicopter	20 years
Ships	13 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:

<b>Asset Class</b>	<b>Useful life</b>
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) **Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Cost of an investment property comprises its purchase price and any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss on disposal of an investment property is recognised in profit or loss.

vi) **Impairment of Assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

vii) **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### **Investments and Other Financial Assets**

#### Classification

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

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

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

#### Subsequent Measurement

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

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

#### **Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

##### **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 other comprehensive income (FVTOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

##### **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.

#### **Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification on derecognition of fair value gains and losses to the statement of profit and loss. Dividends from such investments are recognised in the statement of profit and loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss.

#### **Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, 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.

In case of other than trade receivables, the expected credit loss is a product of exposure at default, probability of default and loss given default. The company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Company also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

- 1) Significant negative deviation in the business plan of the borrower
- 2) Internal rating downgrade for the borrower or the project
- 3) Current and expected financial performance of the borrower
- 4) Need for refinance of loan due to change in cash flow of the project
- 5) Significant decrease in the value of collateral
- 6) Change in market conditions and industry trends

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For recognition of impairment loss on other financial assets and risk exposure (including off Balance Sheet Commitments), the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default Assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

**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.

**Non-current assets held for sale**

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Noncurrent assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

**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 Debenture**

Convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**Financial liabilities**

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

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

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

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

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

**Foreign exchange gains and losses**

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

**Financial Guarantee Contracts**

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

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

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

**Derecognition of financial liabilities**

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

**Derivatives and hedging activities**

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

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

(i) Cash flow hedges that qualify for hedge accounting:

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

(ii) Derivatives that are not designated as hedges:

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

**Embedded derivatives**

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

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

**Offsetting Financial Instruments**

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

viii) **Trade Receivables**

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

ix) **Inventories**

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

x) **Employee Benefits**

**(i) Short-term obligations**

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

**(ii) Other long-term employee benefit obligations**

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

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

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**Notes to financial statements for the Year ended March 31, 2021**

(iii) Post-employment obligations

The company operates the following post-employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme
- Defined Benefit plans such as provident fund and Gratuity

In case of Provident fund, contributions are made to a Trust administered by the Company, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

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

Defined Benefit Plan

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

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

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

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

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

Bonus Plans

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

**xi) Provisions and Contingent Liabilities**

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

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

**xii) Revenue recognition**

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

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

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

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

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

**xiii) Foreign Currency Transactions**

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

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

**xiv) Exceptional Items**

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



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**Notes to financial statements for the Year ended March 31, 2021**

xv) **Leases**

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition. The Company's lease asset classes primarily consist of leases for land, buildings and IT assets.

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

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

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

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

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

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

xvi) **Taxes on Income**

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

xvii) **Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

xviii) **Borrowing Costs**

General and specific borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those Property Plant & Equipments which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xix) **Segment Reporting**

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments.". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs. Interest income and expense are not allocated to respective segments (except in case of Financial Services segment).

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.

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

xx) **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.

xxi) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxii) **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
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

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.

xxiii) **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 Division II, Schedule III, unless otherwise stated.

**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 loans, receivables, intangible assets and investments, the Company has considered internal and external sources of information, including credit reports, 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, 10, 47 (a), 47 (f), 51.

ii **Fair Valuation:**

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the company uses market observable data to the extent it is available. When Level 1 inputs are not available, the company engages third party qualified external valuer to establish the appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 51.

iii **Expected Credit Loss:**

When determining the provision for impairment loss on financial assets carried at amortised cost and Loan commitments, in line with Expected Credit Loss model, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort for determining the Probability of default (PD) and Loss Given default (LGD). This includes both quantitative and qualitative information and analysis, based on the company's historical experience and credit assessment and including forward-looking information.

The inputs used and process followed by the Company in determining the impairment loss in line with Expected Credit loss model have been detailed in Note 47f.

iv **Impairment loss in Investments and investment property carried at cost:**

The Company conducts impairment reviews of investments in subsidiaries / associates / joint arrangements and Investment property, 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.

v **Deferred Taxes**

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

**PTRAWAL ENTERPRISES LIMITED**  
Notes to financial statements for the year ended March 31, 2021  
**3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

Particulars	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Opening As at April 1, 2020	Additions	Deductions/ Adjustments	Transferred on sale of Pharma Business (Refer Note 53)	As at March 31, 2021 (A)	Opening As at April 1, 2020	For the year	Deductions/ Adjustments	Transferred on sale of Pharma Business (Refer Note 53)	As at March 31, 2021 (B)	As at March 31, 2021 (A-B)	As at March 31, 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets</b>												
Land Freehold	21.46	-	-	20.97	0.49	-	-	-	-	-	0.49	21.46
Buildings	776.03	0.27	14.67	726.58	35.05	67.86	11.50	6.83	65.20	7.33	27.72	708.17
Roads	3.47	-	-	2.04	1.43	1.39	0.25	0.72	0.72	0.92	0.51	2.08
Plant & Equipment	887.64	24.84	25.30	839.78	47.40	284.02	32.89	15.52	274.62	26.77	20.63	603.62
Furniture and fixtures	43.25	0.10	1.62	23.62	18.11	19.96	3.50	1.11	8.26	4.02	4.02	23.29
Motor Vehicles	8.01	-	-	0.76	7.25	3.49	0.83	-	0.35	3.97	3.28	4.52
Ships	0.88	-	-	-	0.88	0.44	0.08	-	-	0.52	0.44	0.53
Helicopter^	9.60	-	-	-	9.60	2.70	0.54	-	-	3.24	6.36	6.90
Office equipment	27.22	2.27	3.09	21.72	4.68	13.91	2.51	1.97	13.03	0.42	4.26	14.31
<b>Total (I)</b>	<b>1,777.56</b>	<b>27.48</b>	<b>44.68</b>	<b>1,655.47</b>	<b>124.89</b>	<b>392.77</b>	<b>52.10</b>	<b>25.43</b>	<b>362.18</b>	<b>57.26</b>	<b>67.63</b>	<b>1,384.79</b>
<b>Intangible Assets (Acquired)</b>												
Product-related Intangibles - Brands and Trademarks	451.51	-	-	451.51	-	126.24	16.33	-	142.57	-	-	325.27
Product-related Intangibles - Copyrights, Know-how and Intellectual property rights	17.79	-	-	17.79	-	8.93	0.88	-	9.81	-	-	8.86
Computer Software	47.08	2.78	3.09	31.61	15.16	25.04	4.14	3.09	15.30	10.79	4.37	22.04
<b>Intangible Assets (Internally Generated)</b>												
Product Know-how	2.32	6.55	2.32	6.55	-	0.95	0.40	1.04	0.31	-	-	1.37
<b>Total (II)</b>	<b>518.70</b>	<b>9.33</b>	<b>5.41</b>	<b>507.46</b>	<b>15.16</b>	<b>161.16</b>	<b>21.75</b>	<b>4.13</b>	<b>167.99</b>	<b>10.79</b>	<b>4.37</b>	<b>357.54</b>
<b>Grand Total (I+II)</b>	<b>2,296.26</b>	<b>36.81</b>	<b>50.09</b>	<b>2,142.93</b>	<b>140.05</b>	<b>553.93</b>	<b>73.85</b>	<b>29.56</b>	<b>530.17</b>	<b>68.05</b>	<b>72.00</b>	<b>1,742.33</b>
<b>Particulars</b>												
<b>Tangible Assets</b>												
Land Freehold	21.46	-	-	-	21.46	-	-	-	-	-	21.46	21.46
Buildings	762.43	13.71	0.11	-	776.03	47.42	20.48	0.04	-	67.86	708.17	715.01
Roads	3.47	-	-	-	3.47	0.98	0.41	-	-	1.39	2.08	2.49
Plant & Equipment	850.82	37.75	0.93	-	887.64	210.36	74.25	0.59	-	284.02	603.62	640.46
Furniture and fixtures	42.54	0.84	0.13	-	43.25	15.24	4.83	0.11	-	19.96	23.29	27.30
Motor Vehicles	8.00	0.12	0.11	-	8.01	2.51	1.04	0.06	-	3.49	4.52	5.49
Ships	0.88	-	-	-	0.88	0.35	0.09	-	-	0.44	0.44	0.53
Helicopter^	9.60	-	-	-	9.60	2.16	0.54	-	-	2.70	6.90	7.44
Office equipment	24.14	3.34	0.26	-	27.22	8.62	4.54	0.25	-	12.91	14.31	15.52
<b>Total (I)</b>	<b>1,723.34</b>	<b>55.76</b>	<b>1.54</b>	<b>1,777.56</b>	<b>27.22</b>	<b>287.64</b>	<b>106.18</b>	<b>1.05</b>	<b>-</b>	<b>392.77</b>	<b>1,384.79</b>	<b>1,435.70</b>
<b>Intangible Assets (Acquired)</b>												
Product-related Intangibles - Brands and Trademarks*	451.51	-	-	-	451.51	94.62	31.62	-	-	126.24	325.27	356.89
Product-related Intangibles - Copyrights, Know-how and Intellectual property rights	17.79	-	-	-	17.79	7.17	1.76	-	-	8.93	8.86	10.62
Computer Software	38.48	9.26	0.66	-	47.08	19.35	6.35	0.66	-	25.04	22.04	19.13
<b>Intangible Assets (Internally Generated)</b>												
Product Know-how	2.32	-	-	-	2.32	0.76	0.19	-	-	0.95	1.37	1.56
<b>Total (II)</b>	<b>510.10</b>	<b>9.26</b>	<b>0.66</b>	<b>518.70</b>	<b>2.32</b>	<b>121.90</b>	<b>39.92</b>	<b>0.66</b>	<b>-</b>	<b>161.16</b>	<b>357.54</b>	<b>388.20</b>
<b>Grand Total (I+II)</b>	<b>2,233.44</b>	<b>65.02</b>	<b>2.20</b>	<b>2,296.26</b>	<b>2,296.26</b>	<b>409.54</b>	<b>146.10</b>	<b>1.71</b>	<b>553.93</b>	<b>1,742.33</b>	<b>1,823.90</b>	

Refer Note 2(a)(iii)

**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the year ended March 31, 2021

**3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

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

Asset Class	Carrying Value as at March 31, 2021	Carrying Value as at March 31, 2020
Product-related Intangibles - Brands and Trademarks	-	325,27

# Depreciation for the year ended March 31, 2021, includes depreciation amounting to Rs 4.67 Crores (Previous Year Rs 9.23 Crores) on assets used for Research and Development locations at Ennore and Mumbai.

^ The Company has a 25% share in joint ownership of Helicopter

Refer Note 39 for the assets mortgaged as security against borrowings.

Refer Note 36B for the contractual capital commitments for purchase of Property, Plant & Equipment

Considering internal and external sources of information, the Company has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Company has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider

(a) reassessment of the discount rates,

(b) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis. The carrying amount of the intangible assets represent the Company's best estimate of the recoverable amounts

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the year ended March 31, 2021**

**4. Investments**

**Investments - Non Current:**

Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs. in Crores)		(Rs. in Crores)	
<b>Investments in Equity Instruments (fully paid up, unless otherwise stated):</b>				
<b>A. In Subsidiaries (Unquoted) - At cost:</b>				
i. PHL Fininvest Private Limited @		4,667.17		4,667.17
ii. Piramal Holdings (Suisse) SA				
Class A shares	106.70		106.70	
Class B shares (Non Voting)	1,224.80		1,224.80	
Add: Capital Contribution (Guarantee)	8.88		8.88	
Less: Impairment Provision	1,312.35	28.03	1,312.35	28.03
iii. Piramal Healthcare Inc. #	-		55.67	
Add: Capital Contribution	-	-	30.77	86.44
iv. Piramal Systems and Technologies Private Limited	4.50		4.50	
Less: Impairment Provision	4.50	-	-	4.50
v. Piramal Dutch Holdings N.V. #				1,390.54
vi. PEL Finhold Private Limited	0.03		0.03	
Add: Capital Contribution	45.52		-	
Less: Impairment Provision	45.55	-	-	0.03
vii. Piramal Fund Management Private Limited		108.26		108.26
viii. Piramal Investment Advisory Services Private Limited		2.70		2.70
ix. Piramal Consumer Products Private Limited		14.57		14.57
x. Piramal Healthcare UK Limited (Capital Contribution - Guarantee) #		-		1.06
xi. Piramal Healthcare Canada Limited(Capital Contribution - Guarantee) #		-		2.21
xii. Piramal Dutch IM Holdco B.V.		143.49		143.49
xiii. PEL Pharma Inc. #		-		6.54
xiv. Piramal Capital and Housing Finance Limited @@	7,896.65		7,896.65	
Add: Capital Contribution (Guarantee)	3.77	7,900.42	-	7,896.65
xv. Piramal Asset Management Private Limited		1.00		1.00
xvi. Piramal Securities Limited		42.00		37.00
xvii. Piramal Pharma Limited #**		871.55		-
xviii. Viridis Power Infrastructure Managers Private Limited		0.01		-
xix. Viridis Infrastructure Investment Managers Private Limited		0.01		-
		<b>13,779.21</b>		<b>14,390.19</b>
<b>B. In Joint Ventures (Unquoted) - At Cost:</b>				
i. Convergence Chemicals Private Limited#		-		35.71
ii. India Resurgence ARC Private Limited		54.00		54.00
iii. India Resurgence Asset Management Business Private Limited		20.00		20.00
iv. Shrilekha Business Consultancy Private Limited		2,146.16		2,146.16
		<b>2,220.16</b>		<b>2,255.87</b>
<b>C. In Associates :</b>				
<b>Unquoted - At Cost:</b>				
i. Allergan India Private Limited#		-		3.92
ii. Shriram Capital Limited		0.01		0.01
		<b>0.01</b>		<b>3.93</b>
<b>D. Other Bodies Corporate:</b>				
<b>Quoted - At FVTOCI:</b>				
i. Shriram City Union Finance Limited (Face Value of Rs. 10 each)		897.36		492.47
ii. Clarivate PLC		558.71		-
		<b>1,456.07</b>		<b>492.47</b>
<b>Unquoted - At FVTPL:</b>				
i. TCP Limited		-*		-*
		-		-
<b>Investments in Preference Shares (fully paid up):</b>				
<b>A. In Subsidiaries (Unquoted):</b>				
<b>Optionally Convertible Participative Preference Shares - at FVTPL</b>				
i. Piramal Fund Management Private Limited		105.00		105.00
		<b>105.00</b>		<b>105.00</b>

**Piramal Enterprises Limited**  
**Notes to financial statements for the year ended March 31, 2021**

**Investments - Non Current (contd.) :**

Particulars	As at March 31, 2021	As at March 31, 2020
	(Rs. in Crores)	(Rs. in Crores)
<b>Investment in Debentures (Refer Note below):</b>		
<b>A. In Subsidiaries (Quoted):</b>		
<b>Non-Convertible Debentures - At amortised cost</b>		
Piramal Capital Housing Finance Limited	269.26	152.30
	<b>269.26</b>	<b>152.30</b>
<b>B. In Subsidiaries (Unquoted):</b>		
<b>Optionally Convertible Debentures - At FVTPL</b>		
Piramal Systems & Technologies Private Limited ##	-	23.13
	<b>-</b>	<b>23.13</b>
<b>C. In Joint Venture (Unquoted) - At amortised cost</b>		
India Resurgence Asset Management Business Private Limited	17.03	24.55
	<b>17.03</b>	<b>24.55</b>
<b>D. Other Bodies Corporate (Refer note 38):</b>		
<b>Unquoted:</b>		
<b>Redeemable Optionally Convertible Debentures - At Amortised Cost:</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost	394.44	930.16
Less: Provision for Impairment based on Expected credit loss model	(163.40)	(310.80)
	<b>231.04</b>	<b>619.36</b>
	<b>231.04</b>	<b>619.36</b>
<b>Investments in Share Warrants (refer note 51)</b>		
<b>A. Other Bodies Corporate:</b>		
<b>Quoted:</b>		
Share Warrants	-	1.48
	<b>-</b>	<b>1.48</b>
<b>Investments in Alternative Investment Funds (Refer note 51)</b>		
<b>A. In Subsidiaries - At Cost: (Unquoted)</b>		
Class A Units of Piramal Investment Opportunities Fund Scheme - I	2.65	2.65
	<b>2.65</b>	<b>2.65</b>
<b>B. In Joint Ventures - At Cost: (Unquoted)</b>		
Piramal Ivanhoe Residential Equity Fund 1	115.29	115.29
India Resurgence Fund - Scheme 2	170.19	187.22
	<b>285.48</b>	<b>302.51</b>
<b>C. In Other Body Corporate - At FVTPL (Unquoted)</b>	634.84	78.77
	<b>922.97</b>	<b>383.93</b>
<b>Non Current Investments</b>	<b>19,000.75</b>	<b>18,452.21</b>

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

Note:

a) To the extent of debentures (including interest) redeemable within 12 months of the reporting date, the amount has been presented as part of current investments as per the requirements of Schedule III. The balance amount has been presented as non-current.

b) During the previous year, the Company has sold its entire direct investment of 9.96% in Shriram Transport Finance Company Limited. Upon sale, the Company has reclassified the cumulative fair value changes of Rs. 670.40 crores from Other Comprehensive Income to Retained Earnings.

@ During the previous year, the company converted its loan to PHL Fininvest Private Limited ("Fininvest") into shares resulting into allotment of 57,431,656 equity shares of Rs. 10 each at Rs. 87.06 per share for which shares are pending allotment and 189,985,071 equity shares of Rs. 10 each at Rs. 73.69 per share in Fininvest to the Company.

@@ During the previous year, the company converted its loan to Piramal Capital Housing Finance (PCHFL) into shares resulting into allotment of 784,655,623 equity shares of Rs.10 each at Rs. 11.47 per share in PCHFL to the Company. The shares are pending allotment.

# refer note 53 (a)

\*\* Includes investment in share warrants of Rs. 0.10 Crores of Piramal Pharma Limited

## The value of optionally fully convertible debentures of Piramal Systems and Technologies Pvt Ltd is net of provisions on account of expected credit loss.



**4. Investments**

**Investments - Current :**

Particulars	As at March 31, 2021	As at March 31, 2020
	(Rs. in Crores)	(Rs. in Crores)
<b>Investment in Debentures:</b>		
<b>In Other Body Corporates</b>		
<b>Quoted :</b>		
Redeemable Non-Convertible Debentures - At FVTPL	554.60	650.37
<b>Unquoted :</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost	19.93	351.78
Less: Provision for Impairment based on Expected credit loss model	-	(15.44)
	<b>574.53</b>	<b>986.71</b>
<b>Investment in Mutual Funds (Quoted) - At FVTPL:</b>	<b>250.01</b>	-
<b>Current Investments</b>	<b>824.54</b>	<b>986.71</b>

**Aggregate market value of quoted investments**

- Non-Current	1,725.33	646.25
- Current	804.61	650.37

**Aggregate carrying value of quoted investments (Gross)**

- Non-Current	1,725.33	646.25
- Current	804.61	650.37

**Aggregate carrying value of unquoted investments (Gross)**

- Non-Current	18,801.22	19,429.12
- Current	19.93	351.78

**Aggregate amount of impairment in value of investments**

	1,525.80	1,638.60
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Refer Note 39 for Investments mortgaged as security against borrowings.

**Details of Investments:**

(i) **Financial Assets carried at Cost**

Investments in Equity Instruments of Subsidiaries	13,779.21	14,390.19
Investments in Equity Instruments of Joint Ventures	2,220.16	2,255.87
Investments in Equity Instruments of Associates	0.01	3.93
Investments in Alternative Investment Fund	288.13	305.16
	<u>16,287.51</u>	<u>16,955.15</u>

(ii) **Financial assets carried at fair value through profit or loss (FVTPL)**

Preference Shares	105.00	105.00
Mutual Funds	250.01	-
Share warrants	-	1.48
Debentures	554.60	673.50
Alternative Investment Fund	634.84	78.77
	<u>1,544.45</u>	<u>858.75</u>

(iii) **Financial assets carried at amortised cost**

Debentures	537.26	1,132.55
	<u>537.26</u>	<u>1,132.55</u>

(iv) **Financial assets measured at FVTOCI**

Equity instruments - Equity Shares	1,456.07	492.47
	<u>1,456.07</u>	<u>492.47</u>

<b>Total</b>	<b>19,825.29</b>	<b>19,438.92</b>
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	As at March 31, 2021 Rs. in Crores	As at March 31, 2020 Rs. in Crores
<b>5. DEFERRED TAX ASSETS (NET)</b>		
<b>(a) Deferred Tax Assets on account of temporary differences :</b>		
- Provision for assets of financial services	59.84	100.83
- Other Provisions	11.32	5.23
- Amortisation of expenses which are allowed in current year	0.19	0.23
- Expenses that are allowed on payment basis	18.17	32.87
- Measurement of financial assets at amortised cost/fair value	34.03	25.76
- Deferred Revenue	35.68	59.02
- Fair value measurement of derivative contracts	-	4.44
- Effect of recognition of lease rent expense	1.35	1.31
	160.58	229.69
<b>(b) Deferred Tax Liabilities on account of temporary differences :</b>		
- Property, Plant and Equipment and Intangible Assets	(7.79)	(175.17)
- Measurement of financial liabilities at amortised cost	(31.27)	(19.64)
- Fair value measurement of derivative contracts	(0.16)	-
	(39.22)	(194.81)
<b>NET DEFERRED TAX ASSETS</b>	<b>121.36</b>	<b>34.88</b>
Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation law. Refer Note 50 for movements during the year.		
<b>6. LOANS - NON-CURRENT</b>		
<b>AT AMORTISED COST:</b>		
<b>Inter Corporate Deposits Receivables (Secured) - Credit Impaired</b>		
Inter Corporate Deposits	89.00	89.00
Less: Provision for expected credit loss	50.00	50.00
	39.00	39.00
<b>Terms Loans Receivables (Secured) - Credit Impaired</b>		
Term Loans	24.38	24.38
Less: Provision for expected credit loss	24.38	24.38
	-	-
<b>Loans (Unsecured And Considered Good)</b>		
Loans to related parties, net of provisions (refer note 38)	6,514.69	10,830.25
<b>TOTAL</b>	<b>6,553.69</b>	<b>10,869.25</b>
<b>7. OTHER FINANCIAL ASSETS - NON-CURRENT</b>		
Bank deposits with more than 12 months maturity	35.93	0.90
Security Deposits	13.61	22.80
<b>TOTAL</b>	<b>49.54</b>	<b>23.70</b>
<b>8. OTHER NON-CURRENT ASSETS</b>		
Advance tax (Net of provision of Rs 4,532.59 Crores as at 31st March 2021 (Previous Year Rs 4,449.65 Crores))	448.55	426.58
Capital Advances	0.09	2.64
Advances recoverable	0.02	27.03
<b>TOTAL</b>	<b>448.66</b>	<b>456.25</b>

**PIRAMAL ENTERPRISES LIMITED**
**Notes to financial statements for the Year ended March 31, 2021**

	As at March 31, 2021 Rs. in Crores	As at March 31, 2020 Rs. in Crores
<b>9. INVENTORIES</b>		
Raw and Packing Materials [Stock in transit is Nil as on March 31, 2021, (Previous year Rs. 3.50 Crores)]	15.68	187.05
Work-in-Progress	13.14	141.24
Finished Goods	24.77	46.77
Stock-in-trade	47.16	25.00
Stores and Spares	1.29	23.50
<b>TOTAL</b>	<b>102.04</b>	<b>423.56</b>

**Note:**

- Refer Note 39 for the inventories hypothecated as security against borrowings.
- The cost of inventories recognised as an expense during the year was Rs. 857.01 Crores (Previous year Rs. 987.08 Crores). It includes Rs 415.28 crores (previous year Rs. 879.39 Crores) pertaining to the discontinued operations.
- The cost of inventories recognised as an expense includes Rs. 0.93 Crores (Previous year reversal of Rs. 0.21 Crores) in respect of write downs of inventory to net realisable value and an expense reversal of Rs. 6.28 Crores (Previous year reversal of Rs. 35.42 Crores) in respect of provisions for slow moving/non moving/expired/near expiry products.
- Refer Note 2(a)(ix) for policy for valuation of inventories.

**10. TRADE RECEIVABLES**

(a) Secured - Considered Good	0.18		0.18	
(b) Unsecured - Considered Good	155.30		658.57	
Less: Expected Credit Loss on (b)	(0.40)	155.08	(1.65)	657.10
(c) Unsecured - Considered Doubtful	7.39		25.04	
Less: Expected Credit Loss on (c)	(7.39)	-	(25.04)	-
<b>TOTAL</b>		<b>155.08</b>		<b>657.10</b>

The credit period on sale of goods generally ranges from 7 to 90 days (Previous Year: 7 to 150 days)

The Company has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), Company performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

Of the Trade Receivables balance as at March 31, 2021 of Rs. 162.87 Crores (as at March 31, 2020 of 683.79 Crores), the top 3 customers of the Company represent the balance of Rs. 42.03 Crores as at March 31, 2021 (as at March 31, 2020 - 116.13 Crores). There were four customers (Previous year : three 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 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 follows:

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	March 31, 2020
Within due date	0.28	1.28
After Due date	7.51	25.41

(Rs. in Crores)

Ageing of receivables	As at March 31, 2021	As at March 31, 2020
Less than 365 days	155.09	634.53
More than 365 days	7.78	49.26
<b>Total</b>	<b>162.87</b>	<b>683.79</b>

**PIRAMAL ENTERPRISES LIMITED****Notes to financial statements for the Year ended March 31, 2021**

If the trade receivables (discounted) are not paid at maturity, the bank has right to request the Company to pay the unsettled balance. As the Company has not transferred the risks and rewards relating to these customers, it continues to recognize the full carrying amount of the receivables and has recognized the cash received on the transfer as a secured borrowing (Refer Note 21).

At the end of the reporting period, the carrying amount of the trade receivables that have been transferred but have not been de-recognized amounted to Rs. Nil (Previous year Rs. 33.55 Crores) and the carrying value of associated liability is Rs. Nil (Previous year Rs. 33.55 Crores) (Refer Note 21).

<b>Movement in Expected Credit Loss Allowance:</b>	<b>(Rs. in Crores)</b>	
	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Balance at the beginning of the year	26.69	27.96
Less: Amounts written off	-	(9.24)
Less: Amounts Transferred to Piramal Pharma Limited	(23.66)	-
Add: Net Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses *	4.76	7.97
<b>Balance at the end of the year</b>	<b>7.79</b>	<b>26.69</b>

Refer Note 38 for the receivables from Related Parties

Refer Note 39 for the receivables hypothecated as security against borrowings.

\* It includes Rs. 2.98 Crores transferred to Piramal Pharma Ltd. on account of pharma transaction (Refer Note 53)

	<b>As at March 31, 2021 Rs. in Crores</b>	<b>As at March 31, 2020 Rs. in Crores</b>
<b>11. CASH AND CASH EQUIVALENTS</b>		
<b>- Cash and Cash equivalents</b>		
i. Balance with Banks :		
- Current Accounts	893.23	43.59
ii. Cash on Hand	0.01	0.07
<b>TOTAL</b>	<b>893.24</b>	<b>43.66</b>

**12. OTHER BANK BALANCES**

i. Earmarked balances with banks :			
- Unclaimed Dividend Account	20.68	21.68	
- Others *	49.73	13.15	
	70.41	34.83	
ii. Margin Money	2.46	0.25	
<b>TOTAL</b>	<b>72.87</b>	<b>35.08</b>	

\* Current year mainly comprises of bank fixed deposit. Previous year includes right issue proceeds pending utilization kept in Escrow account of Rs. 12.66 Crores

**PIRAMAL ENTERPRISES LIMITED**
**Notes to financial statements for the Year ended March 31, 2021**

	<b>As at March 31, 2021 Rs. in Crores</b>	<b>As at March 31, 2020 Rs. in Crores</b>
<b>13. LOANS - CURRENT</b>		
<b>Loans Receivables from Related Parties, net of provisions (Unsecured and Considered Good) (refer note 38)</b>	300.16	61.43
<b>Inter Corporate Deposits Receivables (Unsecured and Considered Good)</b>	6.84	18.69
<b>Inter Corporate Deposits Receivables (Unsecured) - Credit Impaired</b>		
Inter Corporate Deposits	8.30	8.30
Less: allowance for expected credit loss	<u>8.30</u>	<u>8.30</u>
<b>TOTAL</b>	<b><u>307.00</u></b>	<b><u>80.12</u></b>
<b>14. OTHER FINANCIAL ASSETS - CURRENT</b>		
Security Deposits	4.79	20.55
Guarantee Commission receivable	6.60	11.84
Unbilled revenues#	-	25.07
Other Receivables from Related Parties	665.08	30.42
Interest Accrued	2.04	0.29
Others	6.49	6.99
<b>TOTAL</b>	<b><u>685.00</u></b>	<b><u>95.16</u></b>

# Classified as financial asset as right to consideration is unconditional upon passage of time. During the year ended March 31, 2021, Rs. 25.07 Crores (previous year Rs. 14.54 Crores) of unbilled revenue as on April 01, 2020 has been reclassified to Trade Receivables upon billing to customers.

**15. OTHER CURRENT ASSETS**
**Unsecured and Considered Good (Unless otherwise stated)**

Advances :

Unsecured and Considered Good	39.68	76.03	
Considered Doubtful	<u>1.46</u>	<u>0.08</u>	
	41.14	76.11	
Less: Provision for doubtful advances	<u>1.46</u>	<u>0.08</u>	76.03
Balance with Government Authorities		48.74	275.80
Prepayments		5.75	34.15
Claims Receivable		-	13.52
<b>TOTAL</b>	<b><u>94.17</u></b>	<b><u>399.50</u></b>	

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

	As at March 31, 2021 Rs. in Crores	As at March 31, 2020 Rs. in Crores
<b>16. SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
400,000,000 (400,000,000) Equity Shares of Rs. 2/- each	80.00	80.00
3,000,000 (3,000,000) Preference Shares of Rs. 100/- each	30.00	30.00
24,000,000 (24,000,000) Preference Shares of Rs. 10/- each	24.00	24.00
105,000,000 (105,000,000) Unclassified Shares of Rs. 2/- each	21.00	21.00
	<u>155.00</u>	<u>155.00</u>
<b>ISSUED CAPITAL</b>		
226,138,301 (226,138,301) Equity Shares of Rs. 2/- each	45.23	45.23
<b>TOTAL</b>	<u>45.23</u>	<u>45.23</u>
<b>SUBSCRIBED AND PAID UP</b>		
225,538,356 (225,538,356) Equity Shares of Rs. 2/- each (fully paid up)	45.11	45.11
<b>TOTAL</b>	<u>45.11</u>	<u>45.11</u>

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
At the beginning of the year	22,55,38,356	45.11	18,44,46,972	36.89
Add: Issued during the year (Refer Note 52(a),(b) and (d))	-	-	4,10,91,384	8.22
<b>At the end of the year</b>	<u>22,55,38,356</u>	<u>45.11</u>	<u>22,55,38,356</u>	<u>45.11</u>

There are no equity shares due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% Holding	No. of shares	% Holding
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr.(Mrs.) Swati A. Piramal	7,88,77,580	34.97%	7,88,77,580	34.97%
Life Insurance Corporation of India	1,86,82,087	8.28%	1,79,89,691	7.98%

(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
Equity Shares of Rs. 2 each allotted as fully paid-up pursuant to merger of Piramal Phytocare Limited into the Company (Refer note 52 (d))	2019-20	3,05,865

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

Equity Shares:

The Company has one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed 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.

**17. OTHER EQUITY**

	As at March 31, 2021	As at March 31, 2020
Capital Reserve	2,826.50	2,379.74
Securities Premium	9,703.43	9,703.43
Capital Redemption Reserve	61.73	61.73
Debenture Redemption Reserve	4.16	822.53
Equity component of Compulsorily Convertible Debentures	1,527.35	1,527.35
General Reserve	5,798.55	5,798.55
FVTOCI - Equity Instruments	65.51	(308.26)
Cash Flow Hedging Reserve	-	(14.32)
Retained Earnings	3,151.40	2,612.12
<b>TOTAL</b>	<u>23,138.63</u>	<u>22,582.87</u>

**CAPITAL RESERVE**

At the beginning of the year	2,379.74	2,379.74
Add: on account of sale of pharma business to Piramal Pharma Limited [Refer note 53]	446.76	-
	<u>2,826.50</u>	<u>2,379.74</u>

This reserve is outcome of business combinations carried out during the current year and previous years



**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

	As at March 31, 2021 Rs. in Crores		As at March 31, 2020 Rs. in Crores	
<b>SECURITIES PREMIUM</b>				
At the beginning of the year	9,703.43		2,950.68	
Add: Issue and Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer note 52 (a))	-		3,295.69	
Add: Rights Issue of Equity shares (Refer note 52 (b))	-		3,475.65	
Less: Expenses incurred on conversion of Compulsorily Convertible Debentures	-		(3.82)	
Less: Expenses incurred on rights issue of equity shares	-		(14.77)	
		<b>9,703.43</b>		<b>9,703.43</b>
Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the Provisions of the Companies Act, 2013.				
<b>CAPITAL REDEMPTION RESERVE</b>				
At the beginning of the year	61.73		61.73	
Add: Transferred during the year	-		-	
		61.73		61.73
This reserve was created as per requirements of Companies Act pursuant to buyback of equity shares and redemption of preference shares.				
<b>DEBENTURE REDEMPTION RESERVE</b>				
At the beginning of the year	822.53		1,516.88	
Add/(Less): Transferred during the year on repayment	(818.37)		(694.35)	
		4.16		822.53
The Debenture redemption reserve is created as per the requirements of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014.				
<b>EQUITY COMPONENT OF COMPULSORILY CONVERTIBLE DEBENTURES</b>				
At the beginning of the year	1,527.35		3,359.71	
Component (Refer note 52 (a))	-		(1,832.36)	
		1,527.35		1,527.35
This is the equity component of the issued Compulsorily Convertible Debentures. The liability component is reflected in financial liabilities (Refer note 18 and 22)				
<b>GENERAL RESERVE</b>				
At the beginning of the year	5,798.55		5,798.55	
Add: Transfer during the year	-		-	
		5,798.55		5,798.55
General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.				
<b>FVTOCI - EQUITY INSTRUMENTS</b>				
At the beginning of the year	(308.26)		1,721.60	
Less: Transfer on sale of FVTOCI-Designated Instruments (Refer note 4)	-		(670.40)	
Add/ (Less): Changes in Fair value of FVTOCI Equity instruments (net of tax)	373.77		(1,359.46)	
		65.51		(308.26)
The Company has elected to recognise changes in the fair value of certain investments in equity securities in Other Comprehensive Income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.				
<b>CASH FLOW HEDGING RESERVE</b>				
At the beginning of the year	(14.32)		3.65	
Less: Transfer on account of sale of pharma business to Piramal Pharma Limited (Refer note 53(a))	4.30		-	
Add/(Less) : Movement during the year	10.02		(17.97)	
		-		(14.32)
The Company uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to Statement of Profit and Loss when the hedged items affect the statement of Profit and Loss. To the extent these hedges are effective, the change in the fair value of hedging instrument is recognised in the Cash Flow Hedging Reserve. (Refer Note 47(e))				
<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>				
At the beginning of the year	-		4.24	
Add/(Less) : Movement during the year	-		(4.24)	
		-		-
<b>RETAINED EARNINGS</b>				
At the beginning of the year	2,612.12		1,658.26	
Add: Transfer on sale of FVTOCI-Designated Instruments (Refer note 4)	-		670.4	
Add/(Less) : Profit/ (Loss) for the year	39.90		144.85	
Less: Remeasurement of Post Employment Benefit Obligations (net of tax)	(3.24)		(2.40)	
Add: On account of adoption of IND AS 116 during the year (Refer note 44)	-		3.52	
Add/ (Less) : Transfer from/ (to) Debenture Redemption Reserve	818.37		694.35	
Less : Dividend paid (including Dividend Distribution Tax)	(315.75)		(556.86)	
		3,151.40		2,612.12
<b>TOTAL</b>		<b>23,138.63</b>		<b>22,582.87</b>

On Aug 4, 2020, a Dividend of Rs. 14 per equity share (Face value of Rs. 2/- each) amounting to Rs. 315.75 Crores was paid to holders of fully paid equity shares. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT) hence DDT is not applicable.

On May 13, 2021, a Dividend of Rs. 33 per equity share (Face value of Rs. 2/- each) amounting to Rs. 787.59 Crores has been recommended by the Board of Directors which is subject to approval of the Shareholders. The amounts calculated are based on the number of shares likely to be entitled for dividend as estimated on May 13, 2021.

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

	As at March 31, 2021 Rs. in Crores	As at March 31, 2020 Rs. in Crores
<b>18. BORROWINGS - NON CURRENT</b>		
<b>Secured - at amortized cost</b>		
Term Loan From Banks :		
Rupee Loans	720.35	175.10
Term Loan From Others	218.99	-
Redeemable Non Convertible Debentures	2,446.87	2,073.06
<b>Unsecured - at amortized cost</b>		
Redeemable Non Convertible Debentures	-	0.18
Liability component of Compulsorily Convertible debentures	-	70.79
Foreign Currency Non Repatriable Loans	-	70.65
<b>TOTAL</b>	<b>3,386.21</b>	<b>2,389.78</b>

**Terms of repayment, nature of security & rate of interest in case of Secured Loans (includes amount included in Current Maturities of Long Term Debt-Refer Note 22)**

**A. Term Loan from Banks -Rupee Loans #**

Nature of Security	Terms of repayment	(Rs. in Crores)	
		Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months -33.34%,repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	500.00	-
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 36 months from the date of first drawdown principal repayable in 12 months-10.00%, repayable in 24 months-20% ,repayable in 36 months-70 %	266.00	-
First charge over identified OTC brands and Second charge on Immovable office property at Kurla. No further charge to be created on the same except for existing encumbrances.	Total Tenor of 3 years from date of first drawdown repayable in the 1st year of Q1 and Q2 -1 % each , Q3 and Q4 -4% each ,in the 2nd year of Q1 and Q2 -5 % each , Q3 and Q4-10% each ,in the 3rd year of Q1 and Q2 -10 % each ,Q3 and Q4-20% each	-	270.00
First pari passu charge on all the movable properties of the Company's i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future , at the below locations:(a) Pithampur,Madhya Pradesh (b) Ennore,Chennai (c) Digwal Village , Medak District, Andhra Pradesh (d) Mahad,District Raigad,Maharashtra (e) Matoda Village, Ahmedabad .First pari passu charge on Company s immovable properties at (a) Pithampur ,Madhya Pradesh and (b) Mahad,District Raigad,Maharashtra (c) Digwal, Sangareddy District ,Telangana . First pari passu charge by way of hypothecation of receivables from the loans extended for the financial services business , minimum fixed asset Cover of 1.15 x.Charge over specified OTC Brands	Bullet Repayment ,Total tenor of 24 months from date of first drawdown .	-	150.00
First pari passu charge on the underlying assets / fixed assets of the Company.	Total Tenor of 24 months from date of first drawdown repayable in 1st year of Q3 & Q4 each - 5%, in the 2nd year of Q1 - 5%, Q3 - 20%, and Q4 - 65%	-	425.00
First pari passu charge on all the movable properties of the Company's i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future , at the below locations:(a) Pithampur,Madhya Pradesh (b) Ennore,Chennai (c) Digwal Village , Medak District, Andhra Pradesh (d) Mahad,District Raigad,Maharashtra (e) Matoda Village, Ahmedabad .First pari passu charge on Company s immovable properties at (a) Pithampur ,Madhya Pradesh and (b) Mahad,District Raigad,Maharashtra (c) Digwal, Sangareddy District ,Telangana . First pari passu charge by way of hypothecation of receivables from the loans extended for the financial services business.	Total tenor of 13 months from date of first drawdown,repayable on monthly basis of Rs 50 Crs each starting from the end of 4th month.	-	500.00
First pari passu charge on all the movable properties of the Company's i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future , at the below locations:(a) Pithampur,Madhya Pradesh (b) Ennore,Chennai (c) Digwal Village , Medak District, Andhra Pradesh (d) Mahad,District Raigad,Maharashtra (e) Matoda Village, Ahmedabad .First pari passu charge on Company s immovable properties at (a) Pithampur ,Madhya Pradesh and (b) Mahad,District Raigad,Maharashtra (c) Digwal, Sangareddy District ,Telangana . First pari passu charge by way of hypothecation of receivables from the loans extended for the financial services business.	Bullet Repayment ,Total tenor of 13 months from date of first drawdown .	-	300.00

The coupon rates for the above loans are 11.25 % per annum (Previous Year : 8.90 % to 10.40 % per annum)  
Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings

**PIRAMAL ENTERPRISES LIMITED**

**Notes to financial statements for the Year ended March 31, 2021**

**B. Term Loan from other than Banks -Rupee Loans #**

(Rs. in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months -33.34%,repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	125.00	-
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months -33.34%,repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	100.00	-

The coupon rates for the above loans are 11.25 % per annum (Previous year : Nil)  
Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings

**C. Redeemable Non Convertible Debentures:**

Nature of Security	Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
Secured by a First Pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	50 (Previous Year : 50) (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 5 Crores is redeemable at par at the end of 3650 days from the date of allotment.	5.00	5.00
Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	350 (Previous Year : 350) (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 35 Crores is redeemable at par at the end of 3652 days from the date of allotment.	35.00	35.00
First ranking exclusive pledge over the certain shares of Piramal Pharma Limited and First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited in favour of the Debenture Trustee. First ranking pari passu charge by way of hypothecation over inter-corporate deposits granted to PCHFL.	760 (Previous Year : NIL) (payable quarterly) 9.50% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 76 Crores is redeemable at par at the end of 1,095 days from the date of allotment.	76.00	-
First ranking exclusive pledge over the certain shares of Piramal Pharma Limited, First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited and certain assets including PCHFL ICD and first ranking pari passu charge over the receivables, investments and other currents assets of PCHFL in favour of the Debenture Trustee.	25,900 (Previous Year : NIL) (payable quarterly) 9.00% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 2,590 Crores is redeemable at par at the end of 1,096 days from the date of allotment.	2,590.00	-
Secured by a First Pari Passu charge by way of hypothecation of Receivables of Inter-Company Deposits placed with PHL Fininvest Private Limited from Piramal Enterprises Limited and a first ranking pari passu mortgage over specifically mortgaged premises.	5,000 (Previous Year : NIL) (payable annually) 8.55% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 500 Crores is redeemable at par at the end of 1,093 days from the date of allotment.	500.00	-
Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	100 (Previous Year : 100) (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 10 Crores is redeemable at par at the end of 1826 days from the date of allotment	10.00	10.00
A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	NIL (Previous Year : 3,000) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 300 Crores is redeemable at par at the end of 731 days from the date of allotment	-	300.00
A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	NIL (Previous Year : 250) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 175 Crores is redeemable at par at the end of 731 days from the date of allotment	-	25.00
A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	NIL (Previous Year : 250) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 25 Crores is redeemable at par at the end of 731 days from the date of allotment	-	25.00
Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	NIL (Previous Year : 2,000) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 200 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	200.00

**PIRAMAL ENTERPRISES LIMITED**

**Notes to financial statements for the Year ended March 31, 2021**

**C. Redeemable Non Convertible Debentures: (continued)**

<b>Nature of Security</b>	<b>Particulars</b>	<b>Terms of Repayment</b>	<b>Principal Outstanding as at March 31, 2021</b>	<b>Principal Outstanding as at March 31, 2020</b>
Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	NIL (Previous Year : 500) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 50 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	50.00
Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	NIL (Previous Year : 400) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 40 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	40.00
Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	NIL (Previous Year : 150) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 15 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	15.00
Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	NIL (Previous Year : 100) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 10 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	10.00
Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	NIL (Previous Year : 100) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 10 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	10.00
Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	NIL (Previous Year : 50) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 5 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	5.00
Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation.	NIL (Previous Year : 550) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 55 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	55.00
Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation.	NIL (Previous Year : 250) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 25 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	25.00
Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation.	NIL (Previous Year : 200) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 20 Crores is redeemable at par at the end of 1096 days from the date of allotment	-	20.00
Secured through a First Pari Passu charge by hypothecation over the Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation.	NIL (Previous Year : 5,000) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 500 Crores is redeemable at par at the end of 547 days from the date of allotment	-	500.00
Secured through a First Pari Passu charge by hypothecation over the Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company and set out in the Debenture Trust deed and Deed of Hypothecation. The Company shall maintain security cover of at least one times of the entire redemption amount throughout the tenure of the NCDs.	NIL (Previous Year : 5,000) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 500 Crores is redeemable at par at the end of 546 days from the date of allotment	-	500.00
Secured through a First ranking exclusive charge by way of hypothecation over the receivables ,to be created by its affiliates. The Company shall maintain security cover of at least one times of the entire redemption amount throughout the tenure of the NCDs.	NIL (Previous Year : 3,000) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 300 Crores is redeemable at par at the end of 836 days from the date of allotment	-	300.00
Secured by (i) A first ranking exclusive charge by way of hypothecation over the receivables ,to be created by its affiliates and (ii) A first ranking charge by way of hypothecation over (i) the Designated Account and monies in it ,to be created by the Company. (iii) any other security specified from time to time under the debenture trust deed.	NIL (Previous Year : 7,500) (payable quarterly) 10.25% Secured Rated UnListed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 750 Crores is redeemable at par at the end of 457 days from the date of allotment	-	750.00

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

**C. Redeemable Non Convertible Debentures: (continued)**

Nature of Security	Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
Secured by : (i) a first ranking exclusive charge by way of hypothecation over the Hypothecated Assets ,to be created by PHL Fininvest ,so as to ensure compliance with the Security Cover Ratio at all times in accordance with clause 6.2 of this Deed (ii) a first ranking exclusive charge by way of hypothecation over the Designated Account Assets, to be created by the Company; and (iii) a first ranking exclusive pledge over the Pledged Shares to be created by the Pledgors, in favour of the Debenture Trustee for the benefit of the Secured Parties,in form and substance satisfactory to the Debenture Trustee.	NIL (Previous Year : 16,000) (payable quarterly) 10.25% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 910 Crores is redeemable at par at the end of 548 days from the date of allotment	-	910.00
Secured by : (i) a first ranking exclusive charge by way of hypothecation over the Hypothecated Assets ,to be created by PHL Fininvest ,so as to ensure compliance with the Security Cover Ratio at all times in accordance with clause 6.2 of this Deed (ii) a first ranking exclusive charge by way of hypothecation over the Designated Account Assets, to be created by the Company; and (iii) a first ranking exclusive pledge over the Pledged Shares to be created by the Pledgors, in favour of the Debenture Trustee for the benefit of the Secured Parties,in form and substance satisfactory to the Debenture Trustee.	NIL (Previous Year : 1,500) (payable quarterly) 10.25% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 90 Crores is redeemable at par at the end of 531 days from the date of allotment	-	90.00
Secured by (a) a first ranking exclusive pledge to be created by PHL FinInvest over such number of the ReNew NCDs held by it, constituting the Collateral Securities;(b) a first ranking exclusive pledge to be created by PFMPL over such number of the ReNew NCDs held by it, constituting the Collateral Securities;(c) a first ranking pledge to be created by the Company over such number of the WGHP NCDs held by it, constituting the Collateral WGHP NCDs with a first priority of payment in respect of the Existing Debentures and a second priority of payment in respect of the Common Secured Obligations provided after the Step Up Date the priority of payment in relation to the Common Secured Obligations will step up to first priority;(d) A first ranking pledge to be created by PHL Fininvest over such number of the WGHP NCDs held by it, constituting the Collateral WGHP NCDs with a first priority of payment in respect of the Existing Debentures and a second priority of payment in respect of the Common Secured Obligations provided after the Step Up Date the priority of payment in relation to the Common Secured Obligations will step up to first priority;(e) a second ranking exclusive fixed charge over all its present and future rights, titles, interests, benefits, claims, demands of the Company in the Designated Account Assets (PEL) which upon occurrence of the Step Up Date shall stand automatically converted to a first ranking exclusive charge (excluding in respect of the Securities Receivables whether or not deposited in the Designated Account (PEL) the charge in relation to which will have the ranking set out in paragraph (h) below);(f) a first ranking exclusive fixed charge over all its present and future rights, titles, interests, benefits, claims, demands of PHL FinInvest in the Designated Account Assets (PHL FinInvest);(g) a second ranking exclusive fixed charge over all rights, title, interest, benefits, claims and demands whatsoever of the Company or PHL FinInvest, whether presently in existence or acquired hereafter in, to, under and/or in respect of the WGHP NCDs Securities Receivables, whether or not deposited in the Designated Accounts, both present and future which upon occurrence of the Step Up Date shall stand automatically converted to a first ranking exclusive charge;(h) a first ranking exclusive fixed charge over all rights, title, interest, benefits, claims and demands whatsoever of PHL FinInvest and PFMPL, whether presently in existence or acquired hereafter in, to, under and/or in respect of the Securities Receivables, whether or not deposited in the Designated Accounts, both present and future; and (i) a first ranking exclusive charge over all present and future rights, title, interest, benefit, claims, demands of PHL FinInvest and PFMPL in, to and under the Underlying Securities Documents to the fullest extent permitted under the Applicable Law and terms of the Underlying Securities Documents (but to the extent of the Securities),	NIL (Previous Year : 6,900) (payable at maturity) 10.00% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 399.40 Crores is redeemable at par at the end of 368 days from the date of allotment	-	399.40

The coupon rate for the above debentures are in the range of 8.55 % to 9.75 % per annum (Previous Year : 7.90 % to 10.25 % per annum). Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

**A. Redeemable Non Convertible Debentures - Unsecured**

(Rs. in Crores)

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
1,000 (Previous Year : 1,000 ) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs. 100 Crores redeemable at par at the end of 1130 days from the date of allotment.	-	100.00
250 (Previous Year : 250 ) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs. 25 Crores redeemable at par at the end of 1130 days from the date of allotment.	-	25.00

The coupon rate for the above debentures - (Previous Year : 8.20 % per annum)

**B. Term Loan from Banks- FCNR Loan - Unsecured**

(Rs. in Crores)

Particulars	Terms of Repayment	Principal	Principal
Long term Unsecured foreign currency Non Repatriable loans from banks	Loan shall be repaid by 18 EMI's starting from month	-	240.22

The coupon rate for the above loan - (Previous Year : 6.00 % per annum )

**Terms and Description of Compulsorily Convertible Debentures:**

Compulsorily Convertible debentures (CCD) outstanding as at 31 March 2021 is Rs. 1,749.99 Crores. Each CCD has a par value of Rs. 151,000 and is convertible at the option of the CCD holder into Equity shares of the Company starting from December 19, 2019 in the ratio of hundred equity share of Rs. 2 each for every one CCD held. Any CCD not converted will be compulsory converted into equity shares on June 12, 2021 at a price of Rs. 1,510 per share. The CCD carry a coupon of 9.28% per annum, payable in 3 half-yearly installments. The basis of presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policies. The CCDs allotted and the equity shares arising out of conversion of such CCDs shall not be disposed off for a period of 18 months from the date of trading approval.

During the previous year ended March 31, 2020, outstanding CCD were Rs. 1,749.99 Crores.

Refer Note 52(a) for movement in CCDs.

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

	<b>As at March 31, 2021 Rs. in Crores</b>	<b>As at March 31, 2020 Rs. in Crores</b>
<b>19. NON-CURRENT PROVISIONS</b>		
Provision for employee benefits (refer note 37)	20.29	47.24
<b>TOTAL</b>	<b>20.29</b>	<b>47.24</b>
<b>20. OTHER NON CURRENT LIABILITIES</b>		
Deferred Revenue (Refer Note 38)	86.31	141.75
<b>TOTAL</b>	<b>86.31</b>	<b>141.75</b>
<u>(Note: Deferred Revenue is related to Facility Fees Income)</u>		



As at  
March 31, 2021  
Rs. in Crores

As at  
March 31, 2020  
Rs. in Crores

**21. BORROWINGS - CURRENT**

**Secured - At Amortised Cost**

Loans from banks :				
- Working capital Demand Loan	100.00		651.69	
- Overdraft with banks (including PCFC)	-		1,675.68	
- Collateralized Debt Obligations	-	100.00	33.55	2,360.92

**Unsecured - At Amortised Cost**

Loans from banks :				
- Repayable on demand	-		400.11	
- Others	415.00		-	
- PCFC from banks	-		230.66	
Inter Corporate Deposits	351.76		-	
Commercial Papers	1,608.70	2,375.46	1,070.06	1,700.83
<b>TOTAL</b>		<b>2,475.46</b>		<b>4,061.75</b>

**Note:**

Description of loan	Terms of repayment	Rate of Interest
<b>Secured Loans:</b>		
Working capital Demand Loan*	At Call	8.75 % per annum
<b>Unsecured Loans:</b>		
Commercial Papers	Repayable within 365 days from date of disbursement	7.00 % to 8.50 % per annum
Loans from Banks	Repayable on the 365th day from date of disbursement	5.00 % per annum
Inter Corporate Deposits	Repayable by the end of credit period	8.25 % per annum

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

Nature of Security	Terms of repayment	(Rs. in Crores)	
		Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
Working capital Demand Loan			
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Repayable on May 31, 2021	50.00	0.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Repayable on April 30, 2021	50.00	0.00
First pari passu charge by way of hypothecation on receivables from PHL Fininvest Pvt Ltd (100% subsidiary of PEL) to PEL.	Bullet Repayment at the end of the tenor of 6 months from date of first drawdown.	-	50.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Bullet Repayment at the end of the tenor of 6 months from date of first drawdown.	-	125.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Bullet Repayment at the end of the tenor of 6 months from date of first drawdown.	-	125.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Bullet Repayment at the end of the tenor of 4 months from date of first drawdown.	-	125.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Bullet Repayment at the end of the tenor of 4 months from date of first drawdown.	-	125.00
Secured by hypothecation of inventories and book debts	Repayable on Sept 18, 2020	-	10.00
Secured by hypothecation of inventories and book debts	Repayable on July 31, 2020	-	50.00
Secured by hypothecation of inventories and book debts	Repayable on May 15, 2020	-	15.00
Secured by hypothecation of inventories and book debts	Repayable on Apr 22, 2020	-	24.91
Secured by hypothecation of inventories and book debts	Repayable on Apr 11, 2020	-	1.66

Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

**Terms of repayment & rate of interest in case of Unsecured Loans:**

Particulars	Terms of Repayment	(Rs. in Crores)	
		Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
Inter Corporate Deposits			
Inter Corporate Deposit	Repayment on June 07, 2021 for an amount of Rs 350 Crores	350.00	-

The coupon rate for the above instruments is 8.25 % per annum (Previous year : Nil)

**Other loans from Banks**

Particulars	Terms of Repayment	(Rs. in Crores)	
		Principal Outstanding as at March 31, 2021	Principal Outstanding as at March 31, 2020
Short term loans from banks	Repayable on 10th March 2022	415.00	-

The coupon rate for the above instruments is 5% per annum (Previous year : Nil)

	<b>As at March 31, 2021 Rs. in Crores</b>	<b>As at March 31, 2020 Rs. in Crores</b>
<b>22. OTHER FINANCIAL LIABILITIES - CURRENT</b>		
Current maturities of long-term debt	810.23	4,123.99
Unclaimed Dividend (Refer note below)	20.68	21.68
Employee related liabilities	24.08	58.27
Capital Creditors	0.37	3.12
Derivative Financial Liability	0.64	17.66
Security Deposits Received	0.56	3.18
Other payables	9.32	0.53
<b>TOTAL</b>	<b><u>865.88</u></b>	<b><u>4,228.43</u></b>

Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the current and previous year end.

**23. OTHER CURRENT LIABILITIES**

Advances from Customers	2.18	30.44
Statutory Dues	2.16	2.25
Deferred Revenue	55.44	92.72
<b>TOTAL</b>	<b><u>59.78</u></b>	<b><u>125.41</u></b>

During the current year ended March 31, 2021, the Company has recognized revenue of Rs 10.30 Crores (Previous Year: Rs 9.69 Crores) arising from opening advance from customers as of April 1, 2020.

Balance amount of Rs 20.14 Crores is transferred to Piramal Pharma Ltd. on account of Pharma transaction (Refer Note 53 (a))

Note: Deferred revenue pertains to facility fees income

**24. CURRENT PROVISIONS**

Provision for Employee Benefits+	12.17	42.67
Provision For Litigations & Disputes#	3.50	3.50
<b>TOTAL</b>	<b><u>15.67</u></b>	<b><u>46.17</u></b>

+ Refer Note 49 for movements during the year

# Refer Note 47(f) for movements during the year

**25. CURRENT TAX LIABILITIES (NET)**

Provision for Income Tax [Net of Advance tax of Rs 390.57 Cr (Previous year Rs 389.73 Cr)]	145.90	146.74
<b>TOTAL</b>	<b><u>145.90</u></b>	<b><u>146.74</u></b>

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the year ended March 31, 2021**

	Year Ended March 31, 2021 Rs. in Crores	Year Ended March 31, 2020 Rs. in Crores
<b>26. REVENUE FROM OPERATIONS</b>		
<b>A. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Sale of products	535.30	198.64
<b>B. INCOME OF FINANCING ACTIVITIES</b>		
Income of financing activities:		
-Interest income on instruments measured at amortised cost	1,041.80	1,033.46
-Facility Fees Income from group companies	92.72	62.86
-Income on instruments mandatorily measured at FVTPL	146.38	79.83
-Dividend income on instruments designated at FVTOCI (Refer note below)	6.16	14.48
-Dividend income from Subsidiary	-	542.44
-Dividend income from Associate / JV	-	78.73
-Others	-	0.04
	<u>1,287.06</u>	<u>1,811.84</u>
	1,822.36	2,010.48
Other operating revenues:		
-Miscellaneous Income	2.34	2.41
	<u>2.34</u>	<u>2.41</u>
<b>TOTAL</b>	<b><u>1,824.70</u></b>	<b><u>2,012.89</u></b>

Note:

All dividends from equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period. There was no dividend income relating to investments derecognized during the reporting period.

**Disaggregate Revenue Information**

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

**For the year ended March 31, 2021:**

**Pharmaceuticals**

Revenue by product line/ timing of transfer of goods/ services for continuing operations	(Rs. in Crores)			
	Year Ended March 31,2021		Year Ended March 31,2020	
	At Point in time	Over time	At Point in time	Over time
Pharma	274.67	-	198.64	-
Over the counter products	260.63	-	-	-
<b>Total</b>	<b><u>535.30</u></b>	<b><u>-</u></b>	<b><u>198.64</u></b>	<b><u>-</u></b>

**Reconciliation of revenue recognised with contract price for continuing operations**

Particulars	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
Sale of products and services at transaction price	543.66	198.70
Less: Discounts	(8.36)	(0.06)
<b>Revenue recognised on sale of products and services</b>	<b><u>535.30</u></b>	<b><u>198.64</u></b>

	Year Ended March 31, 2021 Rs. in Crores	Year Ended March 31, 2020 Rs. in Crores
<b>27. OTHER INCOME</b>		
Interest Income on Financial Assets (at amortized costs)	41.39	261.76
Dividend Income		
- On Current Investments at FVTPL	2.23	2.33
Other Gains & Losses:		
- Foreign Exchange Gain (Net)	-	215.67
Income on instruments mandatorily measured at FVTPL	-	3.65
Profit on Sale of Investment (Net)	4.26	18.31
Provision written back	0.03	125.29
Miscellaneous Income	47.85	38.11
<b>TOTAL</b>	<b><u>95.76</u></b>	<b><u>665.12</u></b>

Provision written back relates to write back of provisions for various expenses created in earlier years that is no longer required.

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the year ended March 31, 2021**

	<b>Year Ended March 31, 2021 Rs. in Crores</b>	<b>Year Ended March 31, 2020 Rs. in Crores</b>
<b>28. COST OF MATERIALS CONSUMED*</b>		
Opening Inventory	17.23	19.38
Add: Purchases	331.19	118.86
Less: Closing Inventory	15.68	17.23
<b>TOTAL</b>	<b><u>332.74</u></b>	<b><u>121.01</u></b>
* Opening, purchases and closing inventory disclosed pertains to continuing operations.		
<b>29. PURCHASES OF STOCK-IN-TRADE</b>		
Traded Goods	159.52	-
<b>TOTAL</b>	<b><u>159.52</u></b>	<b><u>-</u></b>
<b>30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE *</b>		
<b>OPENING STOCKS :</b>		
Work-in-Progress	16.92	8.31
Finished Goods	14.83	8.02
Stock-in-trade	-	-
	<u>31.75</u>	<u>16.31</u>
<b>CLOSING STOCKS :</b>		
Work-in-Progress	13.14	16.92
Finished Goods	24.77	14.83
Stock-in-trade	47.16	-
	<u>85.07</u>	<u>31.75</u>
<b>TOTAL</b>	<b><u>(53.32)</u></b>	<b><u>(15.44)</u></b>
* Changes in inventories of finished goods, Work-In-Progress and Stock-in-Trade represents movement pertains to continuing operations.		
<b>31. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	99.91	143.43
Contribution to Provident and Other Funds (Refer Note 37)	5.12	7.46
Gratuity Expenses (Refer Note 37)	(3.25)	(1.68)
Staff Welfare	6.13	16.15
Corporate Expense Allocation pertaining to Pharma business transferred	(25.92)	(72.64)
<b>TOTAL</b>	<b><u>81.99</u></b>	<b><u>92.72</u></b>
<b>32. FINANCE COSTS</b>		
Finance Charge on financial liabilities measured at amortised cost	1,026.08	1,620.15
Other borrowing costs	42.69	89.91
<b>TOTAL</b>	<b><u>1,068.77</u></b>	<b><u>1,710.06</u></b>

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the year ended March 31, 2021**

	<b>Year Ended March 31, 2021 Rs. in Crores</b>	<b>Year Ended March 31, 2020 Rs. in Crores</b>
<b>33. OTHER EXPENSES</b>		
Processing Charges	0.38	0.50
Consumption of Stores and Spares Parts	2.79	2.12
Consumption of Laboratory materials	1.62	1.41
Power, Fuel and Water Charges	9.37	11.95
Repairs and Maintenance		
Buildings	9.41	11.91
Plant and Machinery	4.20	4.09
Others	0.08	0.15
	<u>13.68</u>	<u>16.15</u>
Rent	4.13	8.57
Rates & Taxes	32.99	15.39
Insurance	4.03	3.90
Travelling Expenses	0.89	10.43
Directors' Commission	2.58	-
Directors' Sitting Fees	1.15	1.09
Provision for Diminution in value of Investments	64.45	-
Bad Debts written off during the period	-	2.42
Less: Bad Debts written off out of Provision for Doubtful Debts	-	<u>(2.31)</u>
Expected Credit Loss on Trade Receivables	1.78	-0.96
Loss on Sale of Property Plant & Equipment (Net)	0.10	0.09
Expenditure towards Corporate Social Responsibility activities	7.00	19.55
Donations	6.49	0.47
Contribution to Electoral Trust	-	10.00
Freight	7.74	2.22
Export Expenses	0.52	0.14
Clearing and Forwarding Expenses	4.10	1.01
Communication and Postage	4.57	4.46
Printing and Stationery	0.37	2.11
Claims	-	0.02
Legal Charges	4.30	5.54
Exchange Loss (net)	30.82	-
Professional Charges	30.41	45.27
Royalty Expense	13.54	9.92
Information Technology Costs	8.63	8.91
R & D Expenses (net)	0.08	0.12
Provision for doubtful loans & advances	37.12	-
Miscellaneous Expenses	3.43	17.27
Corporate Expense Allocation pertaining to Pharma business transferred	<u>(27.43)</u>	<u>(73.56)</u>
<b>TOTAL</b>	<b><u>271.63</u></b>	<b><u>124.20</u></b>
Details in respect of Corporate Social Responsibility Expenditure:		
- Gross amount required to be spent during the year - Rs 6.21 Cr. (Previous Year - Rs 8.68 Cr)		
- Amount spent during the year on revenue expenditure Rs 7.00 Cr. (Previous Year - Rs 19.55 Cr)		
- Amount spent during the year on Capital expenditure - Nil (Previous Year - Nil)		
<b>34. EXCEPTIONAL ITEM</b>		
Transaction cost on transfer of pharma business (refer note 53 (a))	(258.35)	-
<b>TOTAL</b>	<b><u>(258.35)</u></b>	<b><u>-</u></b>
<b>35. OTHER COMPREHENSIVE INCOME / (EXPENSE) (NET OF TAXES)</b>		
Fair Valuation of Equity Investments	373.77	(1,359.46)
Remeasurement of post-employment benefit obligations	(3.24)	(2.40)
Deferred gains / (losses) on cash flow hedge	10.02	(17.97)
<b>TOTAL</b>	<b><u>380.55</u></b>	<b><u>(1,379.83)</u></b>

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the year ended March 31, 2021**

**As at**  
**March 31, 2021**  
**Rs. in Crores**

**As at**  
**March 31, 2020**  
**Rs. in Crores**

**36 Contingent Liabilities and Commitments**

**A Contingent Liabilities :**

**1 Claims against the Company not acknowledged as debt:**

Vide Demand dated June 5, 1984, the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 which is not accepted by the Company. The Company has been legally advised that the demand is untenable.	0.61	0.61
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**2 Others**

i. Appeals filed in respect of disputed demands:

Income Tax

- where the Company is in appeal

163.67                      475.12

- where the Department is in appeal

368.55                      243.97

Sales Tax

15.56                      16.71

Central / State Excise / Service Tax / Custom

56.33                      73.88

Labour Matters

-                              0.29

Stamp Duty

-                              4.00

Legal Cases

0.21                      6.94

ii. Unexpired Letters of Credit

-                              14.23

Note: Future cash outflows in respect of 1 and 2(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

Refer note 38 in case of performance guarantees

**B Commitments :**

a. Estimated amount of contracts remaining to be executed on capital account and not provided for

3.87                      35.07

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

1.42                      16.07

Refer note 47 a in case of loan commitments



**37 Employee Benefits :**

Brief description of the Plans:

Other Long Term Employee Benefit Obligations:

Leave Encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

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

Defined Contribution plans:

The Company's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.

Post-employment benefit plans:

Gratuity for employees in India is as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

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

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

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, equity, mutual funds and other debt instruments.

**Interest risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The gratuity plan is a funded plan and the Company makes contributions to trust administered by the Company. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident fund trust are governed by local regulations, including limits on contributions in each class of investments.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and corporate bonds, although the Company also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

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

Particulars	(Rs. in Crores)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Employer's contribution to Regional Provident Fund Office	0.86	1.48
Employer's contribution to Superannuation Fund	0.17	0.26
Employer's contribution to Employees' State Insurance	0.34	0.70
Employer's contribution to Employees' Pension Scheme 1995	3.03	5.42
Employer's contribution to National Pension Scheme	0.41	0.85

Included in Contribution to Provident and Other Funds and R&D Expenses (Refer Note 31 and 33)

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

**37 Employee Benefits (continued) :**

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

**A. Change in Defined Benefit Obligation**

Particulars	(Rs. in Crores)			
	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Present Value of Defined Benefit Obligation as at beginning of the year	67.89	59.99	270.77	233.66
Interest Cost	2.52	4.57	22.82	20.78
Current Service Cost	2.01	4.23	7.26	12.22
Past Contributions from employer	-	-	-	-
Contributions from plan participants	-	-	13.71	20.81
Liability Transferred In for Employees Joined	-	0.24	13.19	8.60
Liability Transferred Out for Employees left / Transferred	(46.63)	(0.25)	-	-
Benefits Paid from the fund	(7.83)	(3.50)	(28.32)	(25.30)
Actuarial (Gains)/loss - due to change in Demographic Assumptions	(0.05)	-	-	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	0.04	2.32	-	-
Actuarial (Gains)/loss - due to experience adjustments	2.88	0.29	-	-
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>20.83</b>	<b>67.89</b>	<b>299.43</b>	<b>270.77</b>

**B. Changes in the Fair Value of Plan Assets**

Particulars	(Rs. in Crores)			
	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Fair Value of Plan Assets as at beginning of the year	23.01	25.18	270.77	233.66
Interest Income	1.51	1.93	22.83	20.78
Contributions from employer	31.01	-	20.96	33.03
Contributions from plan participants	-	-	-	-
Assets Transferred In for Employees joined	-	-	13.19	8.60
Assets Transferred out for Employees left / Transferred	(46.63)	-	-	-
Benefits Paid from the fund	(7.83)	(3.50)	(28.32)	(25.30)
Return on Plan Assets, Excluding Interest Income	(0.34)	(0.60)	-	-
<b>Fair Value of Plan Assets as at the end of the year</b>	<b>0.73</b>	<b>23.01</b>	<b>299.43</b>	<b>270.77</b>

**C. Amount recognised in the Balance Sheet**

Particulars	(Rs. in Crores)			
	(Funded)			
	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Present Value of Defined Benefit Obligation as at the end of the year	20.83	67.89	299.43	270.77
Fair Value of Plan Assets as at end of the year	0.73	23.01	299.43	270.77
<b>Net Liability recognised in the Balance Sheet (Refer Note 19)</b>	<b>20.10</b>	<b>44.88</b>	-	-
<b>Recognised under:</b>				
<b>Non Current provision (Refer Note 19)</b>	<b>20.10</b>	<b>44.88</b>	-	-

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

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

**D. Expenses recognised in Statement of Profit and Loss**

Particulars	(Rs. in Crores)			
	(Funded)			
	Gratuity		Provident Fund	
	Year ended March 31,		Year ended March 31,	
	2021	2020	2021	2020
Current Service Cost	2.01	4.23	7.26	12.22
Past Service Cost	-	-	-	-
Net interest Cost	1.01	2.64	-	-
Curtailments Cost / (Credit)	-	-	-	-
Settlements Cost / (Credit)	-	-	-	-
Net Actuarial (gain) / loss	-	-	-	-
<b>Total Expenses / (Income) recognised in the Statement of Profit And Loss*</b>	<b>3.02</b>	<b>6.87</b>	<b>7.26</b>	<b>12.22</b>

\*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and R&D Expenses (Refer Note 31 and 33)

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

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

(Rs. in Crores)

Particulars	Gratuity	
	Year ended March 31,	
	2021	2020
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in demographic assumptions	(0.05)	-
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in financial assumptions	0.04	2.32
Actuarial (Gains)/Losses on Obligation for the Period - Due to experience adjustment	2.88	0.29
Return on Plan Assets, Excluding Interest Income	0.34	0.60
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense for the Period Recognized in OCI</b>	<b>3.21</b>	<b>3.21</b>

**F. Significant Actuarial Assumptions:**

(%)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Discount Rate (per annum)	6.49	6.56	6.49	6.56
Expected Rate of return on Plan Assets (per annum)	6.49	6.56	6.49	6.56
Salary escalation rate	9% for 3 years then 6%	9% for 3 years then 6%	N.A	N.A

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

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

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

(Rs. in Crores)

Particulars	Gratuity	
	As at March 31,	
	2021	2020
Opening Net Liability	44.88	34.81
Expenses Recognized in Statement of Profit or Loss	3.02	6.87
Expenses Recognized in OCI	3.21	3.21
Net Liability/(Asset) Transfer In	-	0.24
Net (Liability)/Asset Transfer Out	-	(0.25)
Benefit Paid Directly by the Employer	-	-
Employer's Contribution	(31.01)	-
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>20.10</b>	<b>44.88</b>

**H. Category of Assets**

(Rs. in Crores)

Particulars	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Government of India Assets (Central & State)	0.34	9.44	129.72	113.45
Public Sector Unit Bonds	-	-	21.06	18.33
Corporate Bonds	0.19	9.85	94.47	87.29
Fixed Deposits under Special Deposit Schemes of Central Government*	0.04	1.29	28.59	28.22
Equity Shares of Listed Entities / Mutual Funds	0.06	2.35	22.31	20.43
Others*	0.08	0.08	3.28	3.05
<b>Total</b>	<b>0.72</b>	<b>23.01</b>	<b>299.43</b>	<b>270.77</b>

\* Except these, all the other investments are quoted.

**I. Other Details**

Particulars	Gratuity	
	As at March 31,	
	2021	2020
No of Active Members	341	4,122
Per Month Salary For Active Members (Rs. in Crores)	2.57	12.45
Average Expected Future Service (Years)	7.00	8.00
Projected Benefit Obligation (PBO) (Rs. in Crores)	20.83	67.89
<b>Prescribed Contribution For Next Year (12 Months) (Rs. in Crores)</b>	<b>2.57</b>	<b>12.45</b>

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

**J. Cash Flow Projection: From the Fund**

Projected Benefits Payable in Future Years From the Date of Reporting	(Rs. in Crores)	
	Gratuity	
	Estimated for the year ended March 31,	
	2021	2020
1st Following Year	12.88	20.96
2nd Following Year	0.87	4.52
3rd Following Year	0.71	4.52
4th Following Year	1.23	4.77
5th Following Year	0.69	5.28
Sum of Years 6 To 10	3.78	24.53

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 7 years (Previous year: 7 years)

**K. Sensitivity Analysis**

Projected Benefit Obligation	(Rs. in Crores)	
	Gratuity	
	As at March 31,	
	2021	2020
Impact of +1% Change in Rate of Discounting	(0.74)	(3.17)
Impact of -1% Change in Rate of Discounting	0.60	3.57
Impact of +1% Change in Rate of Salary Increase	0.59	3.52
Impact of -1% Change in Rate of Salary Increase	(0.54)	(3.19)

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

The liability for Leave Encashment (Non – Funded) as at year end is Rs. 12.10 Crores (Previous year Rs. 42.30 Crores).

The liability for Long term Service Awards (Non – Funded) as at year end is Rs. 0.26 Crores (Previous year Rs. 2.73 Crores).

**38 Related Party Disclosures**

**1. List of related parties**

**A. Controlling Entities**

The Ajay G. Piramal Foundation @  
 Piramal Phytocare Limited Senior Employees Option Trust @\*  
 The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal @  
 Aasan Info Solutions (India) Private Limited @  
 Piramal Welfare Trust through its Trustee, Piramal Corporate Services Limited @  
 PRL Realtors LLP @  
 Anand Piramal Trust@  
 Nandini Piramal Trust@  
 V3 Designs LLP @

@There are no transactions during the year.

\*during the previous year it became non promoter- non public.

**B. Subsidiaries**

The Subsidiary companies including step down subsidiaries :

Name of the Company	Principal Place of Business	Proportion of Effective Ownership interest held as at March 31, 2021
PHL Fininvest Private Limited (PHL Fininvest)	India	100%
Piramal International	Mauritius	100%
Piramal Holdings (Suisse) SA (Piramal Holdings)	Switzerland	100%
Piramal Critical Care Italia, S.P.A**	Italy	80%
Piramal Critical Care Deutschland GmbH**	Germany	80%
Piramal Critical Care Limited **	U.K.	80%
Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada)	Canada	80%
Piramal Critical Care B.V. **	Netherlands	80%
Piramal Pharma Solutions (Dutch) B.V. **	Netherlands	80%
Piramal Critical Care Pty. Ltd. **	Australia	80%
Piramal Healthcare UK Limited ** (Piramal Healthcare UK)	U.K.	80%
Piramal Healthcare Pension Trustees Limited**	U.K.	80%
Piramal Critical Care South Africa (Pty) Ltd **	South Africa	80%
Piramal Dutch Holdings N.V. @@@	Netherlands	80%
Piramal Healthcare Inc. **	U.S.A	80%
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	80%
Piramal Pharma Inc.**	U.S.A	80%
Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	80%
PEL Pharma Inc.**	U.S.A	80%
Ash Stevens LLC ** (Ash Stevens)	U.S.A	80%
PEL Healthcare LLC (w.e.f. June 26, 2020) **	U.S.A	80%
Piramal Dutch IM Holdco B.V.	Netherlands	100%
PEL-DRG Dutch Holdco B.V. \$	Netherlands	100%
Piramal Capital and Housing Finance Limited	India	100%
Piramal Fund Management Private Limited (Piramal Fund)	India	100%
Piramal Asset Management Private Limited	India	100%
Piramal Investment Advisory Services Private Limited (PIASPL)	India	100%
Piramal Investment Opportunities Fund (PIOF)	India	100%
INDIAREIT Investment Management Co. \$\$	Mauritius	100%
Piramal Asset Management Private Limited \$\$	Singapore	100%
Piramal Capital International Limited \$\$	Mauritius	100%
Piramal Securities Limited	India	100%
Piramal Systems & Technologies Private Limited (Piramal System)	India	100%
Piramal Technologies SA @	Switzerland	100%
PEL Finhold Private Limited	India	100%
Piramal Consumer Products Private Limited ***	India	100%
Piramal Pharma Limited (w.e.f. March 04, 2020) ^	India	80%
Piramal Finance Sales & Services Pvt. Ltd. (w.e.f. September 9, 2020) ****	India	100%
Virdis Power Investment Managers Private Ltd. (w.e.f. October 17, 2020)	India	100%
Virdis Infrastructure Investment Managers Private Ltd. (w.e.f. October 22, 2020)	India	100%
Convergence Chemicals Private Ltd. (subsidiary w.e.f. February 24, 2021 and joint venture upto February 23, 2021) @@@	India	80%

\*\* held through Piramal Dutch Holdings N.V.

\*\*\*\* held through PHL Finvest Private Ltd.

@ held through Piramal Systems & Technologies Private Limited

\$ held through Piramal Dutch IM Holdco B.V.

\$\$ held through Piramal Fund Management Private Limited

@@ held through Piramal Pharma Ltd.

^ Note on common control transaction with subsidiaries

The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had inter alia, approved the sale of the major line of pharmaceutical business, ('Pharma Business'), including those held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Limited, a subsidiary of the Company ('PPL').

This transaction was completed on October 6th, 2020 on receipt of requisite approvals. The consideration received by the Company from PPL is Rs. 4,487 crores and the excess of such consideration over the net assets, net of tax, has been transferred to capital reserve, the transaction being a common control transaction under IND AS 103 " Business Combinations"

Consequently, operations relating to the Pharma Business in respect of total income, total expenses and tax have been disclosed separately as Discontinued operations as part of the results. The previous periods have been restated in the Statement to give effect to the presentation requirements of Ind AS 105: " Non-current Assets Held for Sale and Discontinued Operations".

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year Ended March 31, 2021**

<b>Name of the Company</b>	<b>Principal Place of Business</b>	<b>Proportion of Effective Ownership interest held as at March 31, 2020</b>
PHL Fininvest Private Limited (PHL Fininvest)	India	100%
Searchlight Health Private Limited #	India	51%
Piramal International	Mauritius	100%
Piramal Holdings (Suisse) SA (Piramal Holdings)	Switzerland	100%
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 (Dutch) 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%
Ash Stevens LLC ** (Ash Stevens)	U.S.A	100%
DRG Holdco Inc.	U.S.A	0%
Piramal IPP Holdings LLC (liquidated w.e.f. 30.12.2019)	U.S.A	0%
Decision Resources Inc.	U.S.A	0%
Decision Resources International, Inc.	U.S.A	0%
DR/Decision Resources, LLC	U.S.A	0%
Millennium Research Group Inc.	Canada	0%
Decision Resources Group Asia Ltd	Hong Kong	0%
DRG UK Holdco Limited	U.K.	0%
Decision Resources Group UK Limited	U.K.	0%
Sigmatic Limited	U.K.	0%
DRG Analytics & Insights Private Limited	India	0%
DRG Singapore Pte Ltd	Singapore	0%
Sharp Insight Limited	U.K.	0%
Decision Resources Japan K.K.	Japan	0%
Piramal Dutch IM Holdco B.V.	Netherlands	100%
PEL-DRG Dutch Holdco B.V.	Netherlands	100%
Piramal Capital and Housing Finance Limited	India	100%
Piramal Fund Management Private Limited (Piramal Fund)	India	100%
Piramal Asset Management Private Limited \$\$	India	100%
Piramal Investment Advisory Services Private Limited (PIASPL)	India	100%
Piramal Investment Opportunities Fund (PIOF)	India	100%
INDIAREIT Investment Management Co. \$\$	Mauritius	100%
Piramal Asset Management Private Limited \$\$	Singapore	100%
Piramal Capital International Limited \$\$	Mauritius	100%
Piramal Securities Limited	India	100%
Piramal Systems & Technologies Private Limited (Piramal System)	India	100%
Piramal Technologies SA @	Switzerland	100%
PEL Finhold Private Limited	India	100%
Piramal Consumer Products Private Limited	India	100%
Piramal Pharma Limited (w.e.f. March 04, 2020)	India	100%

\*\* held through Piramal Dutch Holdings N.V.

@ held through Piramal Systems & Technologies Private Limited

\$ held through Piramal Dutch IM Holdco B.V.

\$\$ held through Piramal Fund Management Private Limited



**C. Associates and Joint Ventures**

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2021	% voting power held as at March 31, 2020	Relationship as at March 31, 2021	Relationship as at March 31, 2020
Convergence Chemicals Private Limited (Convergence) (subsidiary w.e.f. February 24, 2021 and joint venture upto February 23, 2021)	India	80.00%	51.00%	Step-down Subsidiary	Joint Venture
Shrilekha Business Consultancy Private Limited (Shrilekha Business Consultancy)	India	74.95%	74.95%	Joint Venture	Joint Venture
Shriram Capital Limited (Shriram Capital) (mainly through Shrilekha Business Consultancy Private Limited)	India	20.00%	20.00%	Associate	Associate
Allerqan India Private Limited (Allerqan)	India	39.20%	49.00%	Associate	Associate
Bluebird Aero Systems Limited (upto March 03, 2021)	Israel	-	27.83%	-	Associate
India Resurgence ARC Private Limited (Formerly known as Piramal Assets Reconstruction Private Limited) (IRAPL)	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited) (IRAMBPL)	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence Fund - Scheme - 2	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence ARC Trust I (w.e.f. May 03, 2019)	India	50.00%	50.00%	Joint Venture	Joint Venture
Piramal Ivanhoe Residential Equity Fund 1	India	50.00%	50.00%	Joint Venture	Joint Venture
Asset Resurgence Mauritius Manager	Mauritius	50.00%	50.00%	Joint Venture	Joint Venture
Piramal Structured Credit Opportunities Fund (w.e.f. Feb 26, 2020) (PSCOF)	India	25.00%	25.00%	Joint Venture	Joint Venture

**Other Intermediaries:**

Shriram Transport Finance Company Limited (upto June 17, 2019)  
Shriram City Union Finance Limited (Shriram City Union)

**D. Other related parties**

Entities controlled by Key Management Personnel\* :

Aasan Corporate Solutions Private Limited (Aasan Corporate Solutions)  
Gopikrishna Piramal Memorial Hospital (GPMH)  
Piramal Corporate Services Limited (PCSL)  
Piramal Glass Limited (PGL)  
PRL Developers Private Limited (PRL)  
PRL Agastya Private Limited  
Piramal Estates Private Limited  
Glider Buildcon Realtors Private Limited  
Ansa Deco Glass Private Limited (till March 30, 2021)  
Piramal Glass Ceylon Limited

\*where there are transactions during the current or previous year

Employee Benefit Trusts :

Staff Provident Fund of Piramal Healthcare Limited (PPFT)

**E. Key Management Personnel**

Mr. Ajay G. Piramal  
Dr. (Mrs.) Swati A. Piramal  
Ms. Nandini Piramal  
Mr. Vijay Shah (resigned from being a Whole-Time Director and continued as Non-Executive non-Independent director of the Company w.e.f. May 11, 2020)  
Mr. Rajesh Laddha (w.e.f. May 11, 2020)

**F. Relatives of Key Management Personnel**

Mr. Anand Piramal [Son of Mr Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal]  
Mr. Peter DeYoung [Husband of Ms. Nandini Piramal]

**G. Non Executive/Independent Directors**

Dr. R.A. Mashelkar (Resigned w.e.f. October 28, 2020)  
Mr. Gautam Bnaerjee  
Mr. Goverdhan Mehta (Resigned w.e.f. October 28, 2020)  
Mr. N. Vaghul  
Mr. S. Ramadorai  
Mr. Deepak Satwalekar  
Mr. Keki Dadiseth (Resigned w.e.f. October 28, 2020)  
Mr. Siddhath N Mehta (Resigned w.e.f. February 04, 2020)  
Mrs. Arundhati Bhattacharya (w.e.f. October 25, 2018 and resigned w.e.f. April 16, 2020)  
Mr. Kunal Bahl (appointed w.e.f. October 14, 2020)  
Mr. Suhail Nathani (appointed w.e.f. October 14, 2020)  
Ms. Anjali Bansal (appointed w.e.f. November 19, 2020)

**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the Year Ended March 31, 2021

**2. Details of transactions with related parties.**

Details of Transactions	Subsidiaries		Joint Ventures		Associates & its subsidiaries		Other Related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Purchase of Goods</b>										
- Piramal Glass Limited	-	-	-	-	-	-	2.23	5.43	2.23	5.43
- Piramal Critical Care Inc	14.61	27.40	-	-	-	-	-	-	14.61	27.40
- Piramal Pharma Limited	373.27	-	-	-	-	-	-	-	373.27	-
- Others	-	-	-	-	-	-	-	0.02	-	0.02
<b>TOTAL</b>	<b>387.88</b>	<b>27.40</b>	-	-	-	-	<b>2.23</b>	<b>5.45</b>	<b>390.11</b>	<b>32.85</b>
<b>Sale of Goods</b>										
- Allergan	-	-	-	-	26.97	80.33	-	-	26.97	80.33
- Piramal Pharma Limited	49.80	-	-	-	-	-	-	-	49.80	-
- Piramal Healthcare UK	7.31	37.08	-	-	-	-	-	-	7.31	37.08
- Piramal Critical Care Inc	52.83	98.98	-	-	-	-	-	-	52.83	98.98
- Piramal Healthcare, Canada	2.28	19.54	-	-	-	-	-	-	2.28	19.54
- Piramal Critical Care Limited	1.90	11.27	-	-	-	-	-	-	1.90	11.27
- Piramal Critical Care BV	10.47	16.23	-	-	-	-	-	-	10.47	16.23
- Ash Stevens	-	4.32	-	-	-	-	-	-	-	4.32
- Convergence	-	-	1.23	-	-	-	-	-	1.23	-
- Others	-	0.46	-	-	-	-	-	-	-	0.46
<b>TOTAL</b>	<b>124.59</b>	<b>187.88</b>	<b>1.23</b>	-	<b>26.97</b>	<b>80.33</b>	-	-	<b>152.79</b>	<b>268.21</b>
<b>Rendering of Services</b>										
- Allergan	-	-	-	-	-	1.50	-	-	-	1.50
- Piramal Healthcare UK	1.29	38.04	-	-	-	-	-	-	1.29	38.04
- Piramal Pharma Limited	24.90	-	-	-	-	-	-	-	24.90	-
- Piramal Critical Care Inc	-	5.38	-	-	-	-	-	-	-	5.38
- Piramal Glass Limited	-	-	-	-	-	-	0.98	0.27	0.98	0.27
- Ash Stevens	-	0.23	-	-	-	-	-	-	-	0.23
<b>TOTAL</b>	<b>26.19</b>	<b>43.65</b>	-	-	-	<b>1.50</b>	<b>0.98</b>	<b>0.27</b>	<b>27.17</b>	<b>45.42</b>
<b>Guarantee commission income</b>										
- Piramal Healthcare UK	0.32	0.63	-	-	-	-	-	-	0.32	0.63
- PHL Fininvest	10.78	13.64	-	-	-	-	-	-	10.78	13.64
- Piramal Dutch Holdings N.V.	1.92	-	-	-	-	-	-	-	1.92	-
- Piramal Healthcare, Canada	-	0.11	-	-	-	-	-	-	-	0.11
- DRG Holdco Inc.	-	4.32	-	-	-	-	-	-	-	4.32
- PEL Pharma Inc.	1.10	1.43	-	-	-	-	-	-	1.10	1.43
- Piramal Critical Care Limited	1.86	3.36	-	-	-	-	-	-	1.86	3.36
- Convergence	0.04	-	0.15	0.26	-	-	-	-	0.19	0.26
- Others	-	0.01	-	-	-	-	-	-	-	0.01
<b>TOTAL</b>	<b>16.02</b>	<b>23.50</b>	<b>0.15</b>	<b>0.26</b>	-	-	<b>0.98</b>	-	<b>16.17</b>	<b>23.76</b>
<b>Deemed capital contribution (Financial Guarantee)</b>										
- Piramal Capital and Housing Finance	3.77	-	-	-	-	-	-	-	3.77	-
<b>TOTAL</b>	<b>3.77</b>	-	-	-	-	-	-	-	<b>3.77</b>	-
<b>Receiving of Services</b>										
- Piramal Pharma Inc	2.51	37.79	-	-	-	-	-	-	2.51	37.79
- Ash Stevens Inc	10.88	-	-	-	-	-	-	-	10.88	-
- Piramal Healthcare UK	7.63	17.31	-	-	-	-	-	-	7.63	17.31
- PRL Agastya Private Limited	-	-	-	-	6.00	-	6.00	6.04	6.00	6.04
<b>TOTAL</b>	<b>21.02</b>	<b>55.10</b>	-	-	-	-	<b>6.00</b>	<b>6.04</b>	<b>27.02</b>	<b>61.14</b>

**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the Year Ended March 31, 2021

**2. Details of transactions with related parties.**

Details of Transactions	Subsidiaries		Joint Ventures		Associates & its Subsidiaries		Other Related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Royalty Expense</b>										
- PCSL	-	-	-	-	-	-	18.30	9.92	18.30	9.92
<b>TOTAL</b>	-	-	-	-	-	-	<b>18.30</b>	<b>9.92</b>	<b>18.30</b>	<b>9.92</b>
<b>Rent Expense</b>										
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	10.63	11.04	10.63	11.04
- Gopikrishna Piramal Memorial Hospital	-	-	-	-	-	-	1.01	0.70	1.01	0.70
<b>TOTAL</b>	-	-	-	-	-	-	<b>11.64</b>	<b>11.74</b>	<b>11.64</b>	<b>11.74</b>
<b>Rent Income</b>										
- Piramal Capital and Housing Finance	-	0.01	-	-	-	-	-	-	-	0.01
<b>TOTAL</b>	-	<b>0.01</b>	-	-	-	-	-	-	-	<b>0.01</b>
<b>Reimbursement of expenses recovered</b>										
- Piramal Critical Care Inc	0.42	3.72	-	-	-	-	-	-	0.42	3.72
- Piramal Healthcare UK	0.46	0.96	-	-	-	-	-	-	0.46	0.96
- Piramal Capital and Housing Finance	0.15	0.36	-	-	-	-	-	-	0.15	0.36
- Piramal Healthcare, Canada	0.12	0.07	-	-	-	-	-	-	0.12	0.07
- DRG Holdco	-	0.22	-	-	-	-	-	-	-	0.22
- Piramal Pharma Limited	43.70	-	-	-	-	-	-	-	43.70	-
- India Resurgence Asset Management	-	-	0.31	2.40	-	-	-	-	0.31	2.40
- Business Private Limited	-	-	-	-	-	-	0.06	0.15	0.06	0.15
- PRL Developers	-	-	-	-	-	-	0.07	0.07	0.07	0.07
- Ansa Decoglass Private Limited	-	-	-	-	-	-	0.11	0.14	0.11	0.14
- Glider Buildcon Realtors Private Limited	-	-	-	-	-	-	-	-	-	-
- Piramal Critical Care UK Limited	0.18	0.21	-	-	-	-	-	-	0.18	0.21
- Piramal Glass Limited	-	-	-	-	-	-	0.07	0.82	0.07	0.82
- Convergence	0.02	-	0.02	-	-	-	-	-	0.04	-
- Piramal Fund	0.05	-	-	-	-	-	-	-	0.05	-
- PRL Agastya Private Limited	-	-	-	-	-	-	0.01	-	0.01	-
- PHL Fininvest	0.15	-	-	-	-	-	-	-	0.15	-
- Piramal Pharma Solutions	0.07	-	-	-	-	-	-	-	0.07	-
- Piramal Healthcare LLC	3.44	-	-	-	-	-	-	-	3.44	-
- Piramal Estates	-	-	-	-	-	-	0.05	-	0.05	-
- Others	0.35	0.51	-	0.12	-	-	-	0.43	0.35	1.06
<b>TOTAL</b>	<b>49.11</b>	<b>6.05</b>	<b>0.33</b>	<b>2.52</b>	<b>-</b>	<b>-</b>	<b>0.37</b>	<b>1.61</b>	<b>49.81</b>	<b>10.18</b>
<b>Reimbursement of expenses paid</b>										
- Piramal Critical Care Inc	0.61	0.47	-	-	-	-	-	-	0.61	0.47
- Piramal Healthcare UK	0.33	3.91	-	-	-	-	-	-	0.33	3.91
- India Resurgence Asset Management	-	-	-	-	-	-	-	-	-	-
- Business Private Limited	-	-	-	1.91	-	-	-	-	-	1.91
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	0.16	0.52	0.16	0.52
- Ash Stevens	0.18	0.49	-	-	-	-	-	-	0.18	0.49
- Piramal Dutch Holdings N.V.	0.23	-	-	-	-	-	-	-	0.23	-
- PEL Pharma Inc.	0.04	-	-	-	-	-	-	-	0.04	-
- Piramal Healthcare, Canada	0.33	-	-	-	-	-	-	-	0.33	-
- Piramal Critical Care UK Limited	0.18	-	-	-	-	-	-	-	0.18	-
- Piramal Critical Care BV	0.14	-	-	-	-	-	-	-	0.14	-
- Others	0.37	-	-	-	-	-	-	0.05	0.37	0.05
<b>TOTAL</b>	<b>2.41</b>	<b>4.87</b>	<b>-</b>	<b>1.91</b>	<b>-</b>	<b>-</b>	<b>0.16</b>	<b>0.57</b>	<b>2.57</b>	<b>7.35</b>

**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the Year Ended March 31, 2021

**2. Details of transactions with related parties.**

Details of Transactions	Subsidiaries		Joint Ventures		Associates & Intermediaries		Other Related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Sale of Land</b>										
- Ansa Decoglass Private Limited	-	-	-	-	-	-	-	0.02	-	0.02
<b>TOTAL</b>	-	-	-	-	-	-	-	<b>0.02</b>	-	<b>0.02</b>
<b>Contribution to Funds</b>										
- PPFT	-	-	-	-	-	-	19.77	32.41	19.77	32.41
<b>TOTAL</b>	-	-	-	-	-	-	<b>19.77</b>	<b>32.41</b>	<b>19.77</b>	<b>32.41</b>
<b>Dividend Income/Distribution</b>										
- Piramal Capital and Housing Finance	-	412.00	-	-	-	-	-	-	-	412.00
- PHL Fininvest	-	130.00	-	-	-	-	-	-	-	130.00
- Shriram Business Consultancy	-	-	-	-	75.54	78.73	-	-	-	78.73
- Allergan	-	-	-	-	-	-	-	-	75.54	-
- India Resurgence Fund - Scheme 2	-	-	20.76	18.23	-	-	-	-	20.76	18.23
- Shriram City Union	-	-	-	-	6.16	14.48	-	-	6.16	14.48
- PIOF	0.14	0.44	-	-	-	-	-	-	0.14	0.44
<b>TOTAL</b>	<b>0.14</b>	<b>542.44</b>	<b>20.76</b>	<b>18.23</b>	<b>81.70</b>	<b>93.21</b>	<b>-</b>	<b>-</b>	<b>102.60</b>	<b>653.88</b>
<b>Finance granted / (repayments) - Net (including loans and Equity contribution / Investments in cash or in kind)</b>										
- Piramal Dutch Holdings	(543.37)	62.70	-	-	-	-	-	-	(543.37)	62.70
- DRG Holdco	-	(47.85)	-	-	-	-	-	-	-	(47.85)
- Piramal Dutch IM Holdco B.V.	(1,461.96)	(2,070.42)	-	-	-	-	-	-	(1,461.96)	(2,070.42)
- Convergence	-	-	(6.00)	(4.50)	-	-	-	-	(6.00)	(4.50)
- Piramal Fund	(164.51)	187.11	-	-	-	-	-	-	(164.51)	187.11
- Piramal Capital and Housing Finance (refer note below)	1,066.00	3,151.74	-	-	-	-	-	-	1,066.00	3,151.74
- PHL Fininvest	(2,925.65)	2,518.67	-	-	-	-	-	-	(2,925.65)	2,518.67
- India Resurgence Asset Management Business Private Limited	-	-	(7.53)	27.50	-	-	-	-	(7.53)	27.50
- IRAPL	-	-	-	3.00	-	-	-	-	-	3.00
- Piramal Ivanhoe Residential Equity Fund 1	-	-	-	(6.78)	-	-	-	-	-	(6.78)
- India Resurgence Fund - Scheme 2	-	-	(17.03)	29.13	-	-	-	-	(17.03)	29.13
- Piramal Investment Advisory Services	52.10	247.90	-	-	-	-	-	-	52.10	247.90
- Others	10.16	(8.58)	-	-	-	-	-	-	10.16	(8.58)
<b>TOTAL</b>	<b>(3,967.23)</b>	<b>4,041.28</b>	<b>(30.56)</b>	<b>48.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,997.79)</b>	<b>4,089.62</b>

**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the Year Ended March 31, 2021

**2. Details of transactions with related parties.**

Details of Transactions	Subsidiaries		Joint Ventures		Associates & Intermediaries		Other Related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Processing fees charged on debentures</b>										
- Piramal Finance	42.08	12.08	-	-	-	-	-	-	42.08	12.08
- PHL Fininvest	50.64	50.77	-	-	-	-	-	-	50.64	50.77
<b>TOTAL</b>	<b>92.72</b>	<b>62.85</b>	-	-	-	-	-	-	<b>92.72</b>	<b>62.85</b>
<b>Interest Received on Loans/Investments</b>										
- Piramal Pharma Limited	0.07	-	-	-	-	-	-	-	0.07	-
- Convergence	-	-	1.10	2.70	-	-	-	-	1.10	2.70
- Piramal Fund	11.06	29.15	-	-	-	-	-	-	11.06	29.15
- PHL Fininvest	607.73	666.02	-	-	-	-	-	-	607.73	666.02
- Piramal Dutch Holdings N.V.	9.06	25.72	-	-	-	-	-	-	9.06	25.72
- Piramal Dutch IM Holdco B.V.	24.21	175.43	-	-	-	-	-	-	24.21	175.43
- Piramal Capital and Housing Finance	170.44	36.36	-	-	-	-	-	-	170.44	36.36
- PEL Pharma Inc	1.74	-	-	-	-	-	-	-	1.74	-
- PEL Finhold	76.69	-	-	-	-	-	-	-	76.69	-
- Others	4.43	3.03	-	-	-	-	-	-	4.43	3.03
<b>TOTAL</b>	<b>905.43</b>	<b>935.72</b>	<b>1.10</b>	<b>2.70</b>	-	-	-	-	<b>906.53</b>	<b>938.41</b>
<b>Interest Income on debentures / commercial paper</b>										
- Piramal Capital and Housing Finance	26.06	4.98	-	-	-	-	-	-	26.06	4.98
- Piramal System	2.16	2.16	-	-	-	-	-	-	2.16	2.16
<b>TOTAL</b>	<b>28.22</b>	<b>7.14</b>	-	-	-	-	-	-	<b>28.22</b>	<b>7.14</b>
<b>Interest Expense on loans</b>										
- Piramal Capital and Housing Finance	5.70	69.07	-	-	-	-	-	-	5.70	69.07
<b>TOTAL</b>	<b>5.70</b>	<b>69.07</b>	-	-	-	-	-	-	<b>5.70</b>	<b>69.07</b>
<b>Interest Expense on debentures</b>										
- Piramal Capital and Housing Finance	-	3.32	-	-	-	-	-	-	-	3.32
- PHL Fininvest	-	1.42	-	-	-	-	-	-	-	1.42
<b>TOTAL</b>	-	<b>4.74</b>	-	-	-	-	-	-	-	<b>4.74</b>

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.

During the year ended March 31, 2021, the Company transferred certain financial assets of Rs. 388.42 crores (Previous Year : Rs. 1,897.09 crores) to Piramal Capital and Housing Finance Limited and financial assets of Rs. Nil (Previous Year : Rs. 198.18 crores) to PHL Fininvest Private Limited, both wholly owned subsidiaries, for an aggregate consideration of Rs. 388.42 crores (Previous Year: Rs. 2,095.27 crores). Accordingly the financial statements for the year ended March 31, 2021 are not comparable with the financial statements of the previous year.

Out of the total finance granted during the previous year ended March 31, 2020, Rs. 1,900 crores and Rs. 900 crores were converted into equity shares during the previous year of PHL Fininvest Private Limited and Piramal Capital and Housing Finance Limited, respectively.

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year Ended March 31, 2021**

**Compensation of key managerial personnel and its relatives**

The remuneration of directors and other members of key managerial personnel and its relatives during the year was as follows:  
(Rs. in crores)

Particulars	2021		2020	
Short-term employee benefits	15.92	33.04		
Post-employment benefits	1.59	3.13		
Other long-term benefits	0.15	0.53		
Commission and other benefits to non-executive/independent directors	3.73	1.09		
<b>Total</b>	<b>21.39</b>	<b>37.79</b>		

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee.

**3. Balances of related parties.**

Account Balances	Subsidiaries		Joint Ventures		Associates & its Subsidiaries		Other related Parties		Total			
	2021		2020		2021		2020		2021		2020	
<b>Loans to related parties - Unsecured (at amortised cost)</b>												
- Piramal Fund	89.35	284.51	-	-	-	-	-	-	-	89.35	284.51	
- Piramal Dutch Holdings N.V.	-	561.53	-	-	-	-	-	-	-	-	561.53	
- Piramal Dutch IM Holdco B.V.	-	1,464.41	-	-	-	-	-	-	-	-	1,464.41	
- Piramal Capital and Housing Finance	2,666.00	1,600.00	-	-	-	-	-	-	-	2,666.00	1,600.00	
- PHL Fininvest	3,748.64	6,674.29	-	-	-	-	-	-	-	3,748.64	6,674.29	
- Convergence	-	-	-	24.50	-	-	-	-	-	-	24.50	
- Piramal Investment Advisory Services	300.00	248.37	-	-	-	-	-	-	-	300.00	248.37	
- PEL Finhold Private Limited (Net of provision for doubtful Loans of Rs 255 Crores)	-	-	-	-	-	-	-	-	-	-	-	
- Others**	10.70	34.07	-	-	-	-	-	-	-	10.70	34.07	
<b>TOTAL</b>	<b>6,814.69</b>	<b>10,867.18</b>	<b>-</b>	<b>24.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,814.69</b>	<b>10,891.68</b>	

\*\*includes amount receivable from Piramal System, Net of provision for doubtful Loans of Rs. 14.22 Crores pertaining to Piramal System

**Interest receivable on loans to related parties**

- Piramal Investment Advisory Services	0.16	-	-	-	-	-	-	-	-	0.16	-
<b>TOTAL</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.16</b>	<b>-</b>

**Current Account balances with related parties**

- Piramal Healthcare UK	0.60	1.28	-	-	-	-	-	-	-	0.60	1.28
- Piramal Pharma Limited (Including consideration receivable)	655.37	-	-	-	-	-	-	-	-	655.37	-
- India Resurgence Asset Management Business Private Limited	-	-	0.36	(0.04)	-	-	-	-	-	0.36	(0.04)
- Piramal Dutch Holdings N.V.	(0.23)	-	-	-	-	-	-	-	-	(0.23)	-
- Piramal Capital and Housing Finance	0.17	29.14	-	-	-	-	-	-	-	0.17	29.14
- Piramal Healthcare, Canada	0.12	-	-	-	-	-	-	-	-	0.12	-
- Piramal Pharma Solutions	(0.15)	-	-	-	-	-	-	-	-	(0.15)	-
- Ash Stevens	0.00	-	-	-	-	-	-	-	-	0.00	-
- Piramal Glass Limited	-	-	-	-	-	0.45	(0.59)	-	0.45	-	(0.59)
- Piramal Pharma Limited	-	-	-	-	-	-	-	-	-	-	-
- PRL Developers Pvt Ltd	-	-	-	-	-	0.29	0.24	0.29	0.29	0.30	0.17
- Glider Buildcon Realtors Private Limited	(0.18)	-	-	-	-	0.30	0.17	(0.18)	(0.18)	(0.18)	-
- Piramal Critical care UK Limited	(0.18)	-	-	-	-	-	-	(0.18)	(0.18)	-	-
- Piramal Critical Care Inc	3.44	-	-	-	-	-	-	-	-	3.44	-
- PEL Healthcare LLC	(0.15)	0.08	-	-	-	-	-	-	0.11	(0.04)	0.14
<b>TOTAL</b>	<b>658.82</b>	<b>30.50</b>	<b>0.36</b>	<b>0.03</b>	<b>-</b>	<b>1.15</b>	<b>(0.12)</b>	<b>660.33</b>	<b>660.33</b>	<b>30.41</b>	<b>30.41</b>



**PIRAMAL ENTERPRISES LIMITED**  
Notes to financial statements for the Year Ended March 31, 2021

Account Balances	Subsidiaries		Joint Ventures		Associates and intermediates		Other related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Income Receivable</b>										
- PIOF	-	0.05	-	-	-	-	-	-	-	0.05
<b>TOTAL</b>	<b>-</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.05</b>
<b>Trade Receivables</b>										
- Piramal Healthcare UK	-	38.99	-	-	-	-	-	-	-	38.99
- Piramal Pharma Limited	25.32	-	-	-	-	-	-	25.32	-	-
- Piramal Critical Care Inc	-	2.74	-	-	-	-	-	-	-	2.74
- Piramal Critical Care UK Limited	-	34.23	-	-	-	-	-	-	-	34.23
- Piramal Critical Care BV	-	17.02	-	-	-	-	-	-	-	17.02
- Ash Stevens	-	0.99	-	-	-	-	-	-	-	0.99
- Piramal Healthcare, Canada	-	3.47	-	-	-	-	-	-	-	3.47
- PRL Agastya Private Limited	-	-	-	-	-	0.03	-	0.03	0.03	0.38
- Allergan	-	-	-	-	0.19	9.44	-	0.19	9.44	9.44
- Others	-	-	-	-	-	-	0.08	-	-	0.08
<b>TOTAL</b>	<b>25.32</b>	<b>97.44</b>	<b>-</b>	<b>-</b>	<b>0.19</b>	<b>9.44</b>	<b>0.03</b>	<b>0.46</b>	<b>25.54</b>	<b>107.34</b>
<b>Unbilled Revenue</b>										
- Piramal Healthcare UK	-	14.08	-	-	-	-	-	-	-	14.08
- Piramal Critical Care Inc	-	9.44	-	-	-	-	-	-	-	9.44
<b>TOTAL</b>	<b>-</b>	<b>23.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.52</b>
<b>Deferred Income</b>										
- Piramal Capital and Housing Finance	4.81	46.89	-	-	-	-	-	-	4.81	46.89
- PHL Fininvest	136.94	187.58	-	-	-	-	-	136.94	187.58	187.58
<b>TOTAL</b>	<b>141.75</b>	<b>234.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141.75</b>	<b>234.47</b>	<b>234.47</b>
<b>Advance to Vendor</b>										
- Piramal Fund Management Private Limited	0.28	-	-	-	-	-	-	-	0.28	-
- Piramal Glass Limited	-	-	-	-	-	-	1.72	1.72	1.72	1.72
<b>TOTAL</b>	<b>0.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.72</b>	<b>1.72</b>	<b>1.99</b>	<b>1.72</b>
<b>Long-Term Financial Assets</b>										
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	7.28	7.28	7.28	7.28
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.28</b>	<b>7.28</b>	<b>7.28</b>	<b>7.28</b>
<b>Trade Payable</b>										
- Piramal Pharma Limited	214.88	-	-	-	-	-	-	-	214.88	-
- Piramal Pharma Inc.	-	29.03	-	-	-	-	-	-	-	29.03
- Piramal Healthcare UK	0.14	1.69	-	-	-	-	-	0.14	0.14	1.69
- Piramal Critical Care Inc	-	25.54	-	-	-	-	-	-	-	25.54
- Piramal Corporate services Private Limited	-	-	-	-	-	0.42	2.13	0.42	0.42	2.13
- Piramal Glass Limited	-	-	-	-	-	-	0.36	-	-	0.36
- Piramal Pharma Solutions Inc	-	(0.06)	-	-	-	-	-	-	-	(0.06)
- Piramal Capital and Housing Finance	-	5.81	-	-	-	-	-	-	-	5.81
- Others	-	0.31	-	-	-	-	0.02	-	-	0.33
<b>TOTAL</b>	<b>215.02</b>	<b>62.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.42</b>	<b>2.51</b>	<b>215.44</b>	<b>64.83</b>

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year Ended March 31, 2021**

Account Balances	Subsidiaries		Joint Ventures		Associates and intermediaries		Other related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Payable for purchase of debentures</b>										
- Piramal Capital and Housing Finance	-	152.30	-	-	-	-	-	-	-	152.30
<b>TOTAL</b>	<b>-</b>	<b>152.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152.30</b>
<b>Guarantee Commission Receivable / (Payable)</b>										
- Piramal Healthcare UK	0.02	0.62	-	-	-	-	-	-	0.02	0.62
- Piramal Healthcare Inc.	(0.13)	(0.13)	-	-	-	-	-	-	(0.13)	(0.13)
- Piramal Dutch Holdings N.V.	1.27	-	-	-	-	-	-	-	1.27	-
- Piramal Healthcare, Canada	-	0.04	-	-	-	-	-	-	-	0.04
- PEL Pharma Inc.	0.73	1.12	-	-	-	-	-	-	0.73	1.12
- Phl Fininvest	4.05	3.40	-	-	-	-	-	-	4.05	3.40
- Piramal Critical Care UK Limited	0.57	0.76	-	-	-	-	-	-	0.57	0.76
- Piramal Capital and Housing Finance	-	6.04	-	-	-	-	-	-	-	6.04
- Convergence	0.11	-	-	-	-	-	-	-	0.11	-
<b>TOTAL</b>	<b>6.61</b>	<b>11.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.61</b>	<b>11.85</b>
<b>Investments in Debentures</b>										
- India Resurgence Asset Management Business Private Limited	-	-	17.03	-	-	-	-	-	17.03	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>17.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.03</b>	<b>-</b>
<b>Contingent Liabilities</b>										
<b>Guarantees Outstanding</b>										
- Piramal Healthcare UK	-	457.24	-	-	-	-	-	-	-	457.24
<b>TOTAL</b>	<b>-</b>	<b>457.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>457.24</b>

All outstanding balances are unsecured and are repayable in cash.

**PIRAMAL ENTERPRISES LIMITED**

**Notes to financial statements for the year ended March 31, 2021**

**39** Property, Plant & Equipment, Brands and Trademarks, Investment in Non Convertible Debentures, Inter Corporate Deposits, Other Financial Assets and specified receivables relating to subsidiaries are mortgaged / hypothecated to the extent of Rs. 7685 Crores (As on March 31, 2020 : Rs. 6,136.40 Crores) as a security against long term secured borrowings as at March 31, 2021.

Plant & Equipment, Inventories, Trade receivables, Investment in Non Convertible Debentures and Inter Corporate Deposits are hypothecated as a security to the extent of Rs. 110 Crores (As on March 31, 2020 Rs. 2,410.78 Crores) against short term secured borrowings as at March 31, 2021.

		(Rs. in Crores)	
40	Particulars	For the year ended	
		March 31, 2021	March 31, 2020
	<b>Miscellaneous Expenses in Note 33 includes Auditors' Remuneration in respect of:</b>		
	<b>A) Statutory Auditors:</b>		
	a) Audit Fees	0.95	1.00
	b) GST Audit Fees	0.20	0.15
	c) Other Services	0.13	0.16
	d) Reimbursement of Out of pocket Expenses	0.04	0.13
	<b>B) Audit fees of erstwhile Auditors of Piramal Phytocare Limited: (Refer note 52 d)</b>		
	a) Audit Fees	-	0.02
	b) Reimbursement of Out of pocket Expenses	-	0.00
	<b>Expenditure considered in other equity includes Statutory Auditors' remuneration in respect of:</b>		
	Expenses in relation to Rights Issue	-	0.50

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

		(Rs. in Crores)	
Particulars		As at	As at
		March 31, 2021	March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end		4.16	11.86
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end		7.86	7.70
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year		19.36	151.20
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made		0.16	3.24
Further interest remaining due and payable for earlier years		7.70	4.46

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.

**42** The Company has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Principal amounts outstanding as at the year-end were:

		(Rs. in Crores)	
Subsidiary Companies		As at	As at
		March 31, 2021	March 31, 2020
Piramal Systems & Technologies Private Limited		13.16	16.08
Piramal Dutch Holdings N.V.		-	543.37
Piramal Dutch IM Holdco B.V.		-	1,461.96
Piramal Fund Management Private Limited		89.35	253.86
Piramal Capital & Housing Finance Limited		2,666.00	1,600.00
PHL Fininvest Private Limited		3,748.64	6,674.29
Piramal Asset Management Private Limited		10.70	10.40
Piramal Investment Advisory Services Private Limited		300.00	247.90
PEL Finhold Private Limited		21.50	-

**PIRAMAL ENTERPRISES LIMITED**
**Notes to financial statements for the year ended March 31, 2021**

The maximum amounts outstanding during the year were:

(Rs. in Crores)

Subsidiary Companies	For the year ended March 31, 2021	For the year ended March 31, 2020
PHL Fininvest Private Limited	7,536.68	8,742.26
Piramal Fund Management Private Limited	253.86	890.90
Piramal Capital & Housing Finance Limited	2,666.00	2,500.00
Piramal Systems & Technologies Private Limited	16.08	16.08
Piramal Dutch Holdings N.V.	480.49	543.37
Piramal Dutch IM Holdco B.V.	1,410.18	3,781.84
PEL Pharma Inc.	154.04	-
Piramal Consumer Products Private Limited	-	0.27
Piramal Asset Management Private Limited	10.70	10.40
Piramal Investment Advisory Services Private Limited	300.00	247.90
Convergence Chemicals Private Limited	24.50	-
Piramal Pharma Limited	13.54	-
Piramal Securities Limited	1.00	-
PEL Finhold Private Limited	1,295.15	-

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Basic EPS for the year (Rs.)</b>		
From continuing operations	(5.07)	(5.44)
From discontinued operations	6.75	12.32
<b>Total basic EPS</b>	<b>1.68</b>	<b>6.87</b>
<b>Diluted EPS for the year (Rs.)</b>		
From continuing operations	(5.07)	(5.44)
From discontinued operations	6.75	12.32
<b>Total diluted EPS</b>	<b>1.68</b>	<b>6.87</b>
Face value per share (Rs.)	2.00	2.00

(a) Profit/ (Loss) attributable to the owners of Piramal Enterprises Limited used in calculation of basic and diluted earnings per share

(Rs. In Crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1.Profit/ (Loss) after tax from continuing operations attributable to the equity shareholders	(120.22)	(114.76)
2.Profit/ (Loss) from discontinued operations attributable to the equity shareholders	160.12	259.61
3. Profit for the year attributable to the equity shareholders (1+2)	39.90	144.85

(b) Weighted average number of shares used in calculation of basic and diluted earnings per share

Particulars	Number of shares	
	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Weighted Average Number of Equity Shares for calculating Basic EPS (nos.)	23,71,27,756	21,07,72,008
2. Weighted Average Potential Equity Shares in respect of right shares reserved for CCD holders and right shares held in abeyance (nos.)	21,43,733	8,92,700
3. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) (1+2)	23,92,71,489	21,16,64,708

Following information is presented to disclose the effect on net profit after tax from continuing operations, Basic and Diluted EPS, without the effect of tax adjustment of prior years (Refer Note 50):

Particulars	(Rs. in Crores)
	Previous Year ended March 31, 2020
Loss from Continuing Operations after Tax As reported in the standalone financial statements	(114.76)
Add: Impact of Tax adjustment of prior years (Refer Note 50)	385.62
<b>Adjusted Profit After Tax</b>	<b>270.86</b>
Basic EPS for the period (Rs.)	
As reported in the standalone financial statements	(5.44)
Add: Impact of Tax adjustment of prior years	18.30
<b>Adjusted Basic EPS</b>	<b>12.86</b>
Diluted EPS for the period (Rs.)	
As reported in the standalone financial statements	(5.44)
Add: Impact of Tax adjustment of prior years	18.24
<b>Adjusted Diluted EPS</b>	<b>12.80</b>

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to the financial statements for the year ended March 31, 2021**

**44 (i) Amounts recognised in the balance sheet**

The Balance sheet shows the following amounts relating to leases:

**Right-of-use assets**

**Movement during the year ended March 31, 2021**

(Rs. in crores)

Category of Asset	Opening as on April 1, 2020	Additions during 2020-21	Deductions / Transfer during 2020-21	Depreciation for 2020-21	Closing as on March 31, 2021
Building	32.34	5.30	7.25	16.28	14.12
Leasehold Land	5.78	-	5.20	0.04	0.54
Storage unit	0.48	-	-	0.40	0.08
Guest House	0.30	0.56	-	0.32	0.54
IT Assets	8.03	-	-	4.11	3.92
<b>Total</b>	<b>46.93</b>	<b>5.86</b>	<b>12.45</b>	<b>21.15</b>	<b>19.20</b>

**Lease liabilities as on April 1, 2020** 42.80

**Movement during the year ended March 31, 2020**

(Rs. in crores)

Category of Asset	Opening as on April 1, 2019	Additions during 2019-20	Deductions during 2019-20	Depreciation for 2019-20	Closing as on March 31, 2020
Building	49.09	7.22	-	23.97	32.34
Leasehold Land	5.85	-	-	0.07	5.78
Storage unit	1.08	-	-	0.60	0.48
Guest House	0.68	-	-	0.38	0.30
IT Assets	12.37	-	-	4.34	8.03
<b>Total</b>	<b>69.07</b>	<b>7.22</b>	<b>-</b>	<b>29.36</b>	<b>46.93</b>

**Lease liabilities as on April 1, 2019** 63.22

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

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

(Rs. In Crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on lease liabilities (included in finance cost) -Refer note 32	2.99	4.81
Expense relating to short-term leases (included in Other Expenses) -Refer note 33	3.10	13.68
Expense relating to leases of low-value assets (other than short term leases as disclosed above) (included in Other expenses) -Refer note 33	1.03	7.02

The difference between the lease obligation recorded as of March 31, 2019 under IndAS 17 disclosed under note 44 of Annual report 2019 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with IndAS 116 and discounting the lease liabilities to the present value under IndAS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 8.91%.

The bifurcation below provides details regarding the contractual maturities of lease liabilities as of March 31, 2021 and March 31, 2020 on an undiscounted basis:

(Rs. In Crores)

	As at March 31, 2021	As at March 31, 2020
1 year	14.70	21.35
1-3 years	8.20	22.93
3-5 years	0.21	3.92
More than 5 years	0.04	0.11

**45 Investment Property**

Investment property, recorded at a carrying value of Rs. 1,297.63 crore, consists of land development rights acquired during the year, without any restriction on its realisability and is being held for capital appreciation and eventual monetization by exploring various options.

In accordance with Ind AS 113, the fair value of investment property is determined by the Company at Rs. 1,579 crore following the risk-adjusted discounted cash flow method and based on Level 3 inputs from an independent valuation expert.

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the financial statements for the year ended March 31, 2021**

**46** 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 notes 18, 21 and 22 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 convertible and non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

	<b>As at March 31, 2021</b>	<b>(Rs. in Crores) As at March 31, 2020</b>
Equity	23,183.74	22,627.98
<b>Total Equity</b>	<b>23,183.74</b>	<b>22,627.98</b>
Borrowings - Non Current	3,386.21	2,389.78
Borrowings - Current	2,475.46	4,061.75
Current Maturities of Long Term Debt	810.23	4,123.99
<b>Total Debt</b>	<b>6,671.90</b>	<b>10,575.52</b>
Cash & Cash equivalents	(893.24)	(43.66)
<b>Net Debt</b>	<b>5,778.66</b>	<b>10,531.86</b>
<b>Debt/Equity Ratio</b>	<b>0.25</b>	<b>0.47</b>

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

**47 Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks.

The Senior Mangement 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

<b>Risk</b>	<b>Exposure arising from</b>	<b>Management</b>
Liquidity risk	Borrowings and other liabilities	The Senior Management along with centralized treasury deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
Market risk - Interest rate	Long-term borrowings at variable rates	The Senior Management along with centralized treasury reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
Market risk - Securities price risks	Equity Investment	The Company continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk - Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes measures to hedge the exposure based on prevalent macroeconomic conditions.
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit Each investment in financial services is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.



**a. Liquidity Risk Management**

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Senior Management along with centralized treasury is responsible for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Company has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

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

Particulars	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
Undrawn credit lines	10,790.00	11,169.00
	<u>10,790.00</u>	<u>11,169.00</u>

Note: This includes Non-Convertible Debentures, Inter Corporate Deposits and Commercial Papers where only credit rating has been obtained and which can be issued, if required, within a short period of time.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the 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.

Maturities of Financial Liabilities	(Rs. in Crores)			
	March 31, 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	3,778.07	4,017.81	7.80	43.89
Trade Payables	437.41	-	-	-
Lease liability	14.70	8.20	0.21	0.04
Other Financial Liabilities	55.65	-	-	-
	<u>4,285.83</u>	<u>4,026.01</u>	<u>8.01</u>	<u>43.93</u>

Maturities of Financial Liabilities	(Rs. in Crores)			
	March 31, 2020			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	8,762.84	2,597.32	7.81	47.78
Trade Payables	617.82	-	-	-
Lease liability	21.35	22.93	3.92	0.11
Other Financial Liabilities	104.44	-	-	-
	<u>9,506.45</u>	<u>2,620.25</u>	<u>11.73</u>	<u>47.89</u>

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

Maturities of Financial Assets	(Rs. in Crores)			
	March 31, 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	-	703.69	-	398.70
Loans to related parties	971.12	2,507.13	5,145.35	-
Trade Receivables	162.87	-	-	-
	<u>1,133.99</u>	<u>3,210.82</u>	<u>5,145.35</u>	<u>398.70</u>

Maturities of Financial Assets	(Rs. in Crores)			
	March 31, 2020			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	1,186.02	74.99	608.94	343.81
Loans to related parties	972.74	3,957.67	7,675.40	2,324.30
Trade Receivables	683.79	-	-	-
	<u>2,842.55</u>	<u>4,032.66</u>	<u>8,284.34</u>	<u>2,668.11</u>

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.

**PIRAMAL ENTERPRISES LIMITED**

**Notes to the financial statements for the year ended March 31, 2021**

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

In case of undrawn loan commitments, the expected maturities are as under:

Particulars	(Rs. in Crores)			
	March 31, 2021		March 31, 2020	
	Upto 3 year	Upto 5 year	Upto 3 year	Upto 5 year
Commitment to Piramal Capital & Housing Finance Limited (fund and non fund based)	2,084.00	-	5,650.00	-
Commitment to invest in ICDs of PHL Fininvest Private	6,251.36	-	-	3,325.71
<b>Total</b>	<b>8,335.36</b>	<b>-</b>	<b>5,650.00</b>	<b>3,325.71</b>

Particulars	(Rs. in Crores)	
	March 31, 2021	March 31, 2020
	1 to 3 years	1 to 3 years
Commitment to invest in AIF	2.66	19.75
<b>Total</b>	<b>2.66</b>	<b>19.75</b>

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

**Commitment as on March 31, 2021**

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund	-	-	732.07	258.07
India Resurgence Fund - Scheme 2	100.00	75.34	731.15	550.85

**Commitment as on March 31, 2020**

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
India Resurgence Fund - Scheme 2	100.00	75.26	756.70	569.48
Piramal Ivanhoe Residential Equity Fund 1	250.00	234.76	1,891.75	1,776.46

**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	March 31, 2020
	Variable rate borrowings	100.00
Fixed rate borrowings	6,696.11	6,759.64
	<u>6,796.11</u>	<u>10,584.75</u>

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

If interest rates related to FCNR borrowings had been 25 basis points higher/lower and all other variables were held constant, and other borrowings had been 100 basis points higher / lower and all other variables were held constant, the Company's Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2021 would decrease/increase by NIL for FCNR Borrowing (Previous Year Rs 0.60 Crores) and Rs 1.00 Crore (Previous Year Rs 35.85 Crores) for other borrowings totalling to Rs 1.00 Crore (Previous year Rs. 36.45 Crores) respectively. This is attributable to the Company's exposure to borrowings at floating interest rates.

If interest rates related to loans given / debentures invested had been 100 basis points higher/lower and all other variables were held constant, the Company's Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2021 would increase/decrease by Rs. 41.70 Crores (Previous year Rs. 108.77 Crores). This is attributable to the Company's exposure to lendings at floating interest rates.

**PIRAMAL ENTERPRISES LIMITED****Notes to the financial statements for the year ended March 31, 2021****c. Other price risks**

The Company is exposed to equity price risks arising from equity investments and classified in the balances sheet at fair value through Other Comprehensive Income.

**Equity price sensitivity analysis (Refer note 4):**

The table below summarises the impact of increases/decreases (pre-tax) on the Company's Equity and OCI for the year. Analysis is based on the assumption that equity index had increased/decreased by 5% with all the other variables held constant, and these investments moved in the line with the index.

Particulars	Rs. in Crores	
	Impact on OCI	
	March 31, 2021	March 31, 2020
Equity Index, Increase by 5%	72.80	24.62
Equity Index, Decrease by 5%	(72.80)	(24.62)

The Company has designated the following securities as FVTOCI Investments (Refer note 4):

Shriram City Union Finance Limited  
Clarivate PLC

The Company chose this presentation alternative because the investment were made for strategic purposes rather than with a view to make profit on subsequent sale.

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to the financial statements for the year ended March 31, 2021**

**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		As at March 31, 2020	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
Forward contracts to sell USD / INR	60,00	459,01	76,00	587,31

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

Currencies	As at March 31, 2021		As at March 31, 2020	
	Trade receivables		Trade receivables	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
AUD	-	-	0,05	0,23
EUR	0,04	0,38	6,86	56,81
GBP	0,14	1,44	0,16	1,49
USD	3,42	25,01	46,93	355,11
SGD	-	-	0,01	0,04
CAD	-	-	5,00	26,55

Currencies	As at March 31, 2021		As at March 31, 2020	
	Trade payables / (advance to suppliers)		Trade payables / (advance to suppliers)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
AUD	0,01	0,04	0,01	0,05
CAD	-	-	0,04	0,21
CHF	0,23	1,77	1,33	9,55
EUR	0,11	0,95	1,03	8,05
GBP	(0,02)	(0,25)	0,07	0,64
THB	-	-	0,45	0,08
SEK	-	-	0,03	0,02
USD	(1,27)	(9,30)	16,55	117,39
NZD	-	-	*	*
JPY	0,22	0,02	0,44	0,03
SGD	-	-	*	*
AED	-	-	0,03	0,06
RUB	0,02	*	-	-

Currencies	As at March 31, 2021		As at March 31, 2020	
	Loan from Banks		Loan from Banks	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
USD	-	-	32,38	245,05

**PIRAMAL ENTERPRISES LIMITED**
**Notes to the financial statements for the year ended March 31, 2021**

Currencies	As at March 31, 2021				As at March 31, 2020			
	Loans to Related Parties		Current Account Balances receivable (payable)		Loans to Related Parties		Current Account Balances receivable (payable)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
USD	-	-	0.69	5.03	235.45	1,781.68	2.67	20.22
GBP	-	-	0.01	0.06	11.64	108.67	0.39	3.67
EUR	-	-	-	-	9.58	79.26	1.75	14.51
CHF	-	-	-	-	4.57	35.73	0.16	1.22
AUD	-	-	-	-	-	-	-	-
CAD	-	-	0.02	0.13	-	-	-	-
RUB	-	-	5.38	0.53	-	-	-	-

\* 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 year ended March 31, 2021					For the year ended March 31, 2020				
	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 year (in Rs. Crores)	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 year (in Rs. Crores)
USD	Increase by 5%**	4.11	(1.27)	3.66	1.97	285.05	48.93	3.78	89.34	
USD	Decrease by 5%**	4.11	(1.27)	(3.66)	(1.97)	285.05	48.93	(3.78)	(89.34)	
GBP	Increase by 5%**	0.15	(0.02)	5.04	0.09	12.19	0.07	4.67	5.66	
GBP	Decrease by 5%**	0.15	(0.02)	(5.04)	(0.09)	12.19	0.07	(4.67)	(5.66)	
EUR	Increase by 5%**	0.04	0.11	4.29	(0.03)	18.19	1.03	4.14	7.10	
EUR	Decrease by 5%**	0.04	0.11	(4.29)	0.03	18.19	1.03	(4.14)	(7.10)	

\*\* Holding all the other variables constant

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

**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.

The Company has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The 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.

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.

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 year 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	Foreign exchange forward contracts	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over-the-counter market. Further, the foreign currency basis spread is separated and accounted for at FVTPL. Accordingly, only the spot rate has been designated in the hedging relationship.	Cash flow hedge

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

								(In Crores)
<b>As at March 31, 2021</b>								
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	Nil (USD)	-	-	2.94	-	Not applicable	7.08	Revenue

								(In Crores)
<b>As at March 31, 2020</b>								
	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	7.60 (USD)	-	(17.66)	(22.96)	-	Not applicable	4.99	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				As at 31 March 2020			
	Total	Upto 1 year	1-5 years	Over 5 years	Total	Upto 1 year	1-5 years	Over 5 years
<b>Foreign currency risk:</b>								
Forward exchange contracts	-	-	-	-	7.60 Crores (USD)	7.60 Crores (USD)	-	-
Average INR:USD forward contract rate	-	-	-	-	77.28	77.28	-	-



**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

**e. Accounting for cash flow hedge**

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

<b>Movement in Cash flow hedge reserve for the years ended</b>	<b>31 March 2021 (Rs. In Crs)</b>
<b>As on March 31, 2019</b>	<b>3.65</b>
Effective portion of changes in fair value:	
Foreign exchange forward contracts	(30.68)
Tax on movements on reserves during the year	7.72
<b>Net amount reclassified to profit or loss:</b>	<b>-</b>
Foreign exchange forward contracts	6.67
Tax on movements on reserves during the year	(1.68)
<b>As on April 1, 2020</b>	<b>(14.32)</b>
Effective portion of changes in fair value:	
Foreign exchange forward contracts	3.42
Tax on movements on reserves during the year	(0.48)
Contracts novated to PPL	5.53
Tax on the Contracts novated to PPL	(1.23)
<b>Net amount reclassified to profit or loss:</b>	
Foreign exchange forward contracts	9.97
Tax on movements on reserves during the year	(2.89)
<b>As on March 31, 2021</b>	<b>-</b>

**f. Credit Risk**

Typically, the receivables of the Company can be classified in 2 categories:

1. Pharma Trade Receivables
2. Financial Services business - i) Loan Book primarily comprising of Real estate developers, Infrastructure Companies and Others ; and ii) Strategic Investment made in other corporate bodies.

Please refer Note 10 for risk mitigation techniques followed for Pharma Trade Receivables. Risk mitigation measures for Financial Services business primarily comprising of Real Estate Developers and Corporate Finance Groups are explained in the note below.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies or mutual funds.

**Financial Services Business**

The Company is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Wholesale lending:**

The Company's Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments made by the Company. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

The lending exposure includes lending to the below sectors :

Sectors	Exposure as at	
	March 31, 2021	March 31, 2020
Real Estate	39.09%	77.34%
Infrastructure	58.35%	21.13%
Others	2.56%	1.53%

**Credit Risk Management**

**For wholesale lending business, credit risk management is achieved by considering various factors like :**

- Cash flow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
- Exit – This is an assessment of the liquidity of the loan or investment.

The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

Risk Grading	Description
I	Extremely good loan
II	Good loan
III	Moderate loan
IV	Weak loan
V	Extremely weak loan

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

**Provision for Expected Credit Loss**

The Company has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. The Company makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No.vii of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).

For the purpose of expected credit loss analysis the Company defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

The Company provides for expected credit loss based on the following:

<b>Category – Description</b>	<b>Stages</b>	<b>Basis for Recognition of Expected Credit Loss</b>
Assets for which credit risk has not significantly increased from initial recognition	Stage 1	12 month ECL
Assets for which credit risk has increased	Stage 2	Life time ECL
Assets for which credit risk has increased significantly and credit impaired	Stage 3	Loss Given Default (LGD)

For the year ended March 31, 2021 and March 31, 2020 the Company has developed a PD Matrix after considering some parameters as stated below :

The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc. . Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project fiancé etc.) - (1) Sponsor strength (2) Overdues (3) Average Debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Company has computed the PD.

The Company has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD. The Company also maintains Expected Credit Loss for undisbursed limits after applying the Credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

**Impact of Covid -19 pandemic on the credit risk**

The outbreak of Covid-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Company through its financial services segment offers long term and short term wholesale lending primarily to the real estate and infrastructure sector. In accordance with Reserve Bank of India (RBI) guidelines, the Company had proposed a moratorium benefit on the payment of principal instalments and / or interest, to all eligible borrowers classified as standard, even if overdue as on February 29, 2020 excluding the collections already made in the month of March 2020, basis approval by the management on a case to case basis. Accordingly, for all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period. (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the company's policy).

The company had ran a scenario analysis as on March 31, 2020 using proprietary algorithm-based risk models on the portfolio taking into account the possible impact related to Covid - 19 pandemic.

Further the Company has, based on available information estimated and applied management overlays in the previous year, for the purpose of determination of the provision for impairment of financial assets. The management continued to consider macroeconomic overlay similar to its previous study. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information and economic forecasts up to the date of approval of these financial statements.

During the quarter and year ended March 31, 2020, the Company has estimated and recognised an additional expected credit loss of Rs. 303 Crores on certain financial assets, on account of the anticipated effect of the global health pandemic. As a result of 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.

Accordingly, the provision for expected credit loss on financial assets as at March 31, 2021 includes potential impact on account of the pandemic. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

**Expected Credit Loss as at end of the Reporting period:**

**As at March 31, 2021**

(Rs. in Crores)

Particulars	Asset Group	Gross Carrying Amount (Exposure)	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets/Related party loans	Receivable from Related Parties	7,486.53	-	7,486.53
	Investments at amortised cost	286.28	-	286.28
	Other Financial Assets & Loans	69.70	-	69.70
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	131.60	8.57	123.03
	Loans at amortised cost	-	-	-
Assets for which credit risk has increased significantly and assets which are credit impaired	Investments at amortised cost	282.77	154.83	127.94
	Loans at amortised cost	121.68	82.68	39.00
<b>Total</b>		<b>8,378.56</b>	<b>246.08</b>	<b>8,132.49</b>

**As at March 31, 2020**

(Rs. in Crores)

Particulars	Asset Group	Gross Carrying Amount (Exposure)	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets/Related party loans	Receivable from Related Parties	10,933.94	-	10,933.94
	Investments at amortised cost	176.85	-	176.85
	Other Financial Assets & Loans	76.6	-	76.60
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	992.99	188.09	804.90
	Loans at amortised cost	18.69	-	18.69
Assets for which credit risk has increased significantly and assets which are credit impaired	Investments at amortised cost	288.96	138.15	150.81
	Loans at amortised cost	121.68	82.68	39.00
<b>Total</b>		<b>12,609.71</b>	<b>408.92</b>	<b>12,200.79</b>

**i) Reconciliation of Loss Allowance**

**For the year ended March 31, 2021**

(Rs. in Crores)

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time	
		Financial assets for which credit risk has increased significantly and	Financial assets which are credit-impaired
Balance at the beginning of the year	188.09	-	220.83
Transferred to Lifetime ECL credit impaired - specific provision			
Bad debts recovered			
On Account of Rate Change	(1.83)	-	17.99
On Account of Disbursements	-	-	-
On Account of Repayments/Transfers *	(177.69)	-	(1.31)
<b>Balance at the end of the year</b>	<b>8.57</b>	<b>-</b>	<b>237.51</b>

\*The reduction in provision is on account of repayments and transfer of portfolio during the year (Refer Note 38(2)).

For the year ended March 31, 2020

(Rs. in Crores)

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and	Financial assets which are credit-impaired
Balance at the beginning of the year	51.74	4.67	81.01
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL credit impaired - collective provision	-	-	-
Transferred to Lifetime ECL credit impaired - specific provision	-	(4.56)	4.56
On Account of Rate Change	182.87	1.46	135.26
On Account of Disbursements	-	-	-
On Account of Repayments/Transfers *	(46.52)	(1.57)	-
<b>Balance at the end of the year</b>	<b>188.09</b>	<b>-</b>	<b>220.83</b>

\* The reduction in provision is on account of repayments and transfer of portfolio during the year (Refer Note 38(2)).

**ii) Movement in Expected Credit Loss on undrawn loan commitments (including revocable commitments):**  
(Rs. in Crores)

Particulars	Expected Credit Loss on Loan	
	2021	2020
Balances as at the beginning of the year	-	1.61
Additions	-	-
Amount used/reversed	-	(1.61)
<b>Balances as at the end of the year</b>	<b>-</b>	<b>-</b>
Classified as Non-current	-	-
Classified as Current	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

iii) The amounts of Financial Assets outstanding in the Balance Sheet along with the undrawn loan commitments (Refer Note 47(a)) as at the end of the reporting period represent the maximum exposure to credit risk.

**Description of Collateral held as security and other credit enhancements**

The Company generally ensures a security cover of more than 100% of the proposed facility amount. The Company periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Company varies on case to case basis and includes:

- i) First / Subservient charge on the Land and / or Building of the project or other projects
- ii) First / Subservient charge on the fixed and current assets of the borrower
- iii) Hypothecation over receivables from funded project or other projects of the borrower
- iv) Pledge on Shares of the borrower or their related parties
- v) Guarantees of Promoters / Promoter Undertakings
- vi) Post dated / Undated cheques
- vii) Pledge on investment in shares made by borrower entity

iv) The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting to:

(Rs. in Crores)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Value of Security	166.94	192.55

**PIRAMAL ENTERPRISES LIMITED****Notes to financial statements for the Year ended March 31, 2021**

**48** The Company conducts research and development to find new sustainable chemical routes for pharmaceutical & herbal products. The company is undertaking development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients.

The Company's research and development centers at Mumbai, Ennore and Ahmedabad have been transferred to Piramal Pharma Ltd. pursuant to transfer of pharma business. (Refer Note 53(a))

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	(Rs. in Crores)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue Expenditure*</b>	53.56	112.42
<b>TOTAL</b>	<b>53.56</b>	<b>112.42</b>
<b>Capital Expenditure, Net</b>		
Additions to Property Plant & Equipment	1.04	4.27
Additions to Intangibles under Development	3.39	7.30
<b>TOTAL</b>	<b>4.43</b>	<b>11.57</b>

\*The amount included in Note 34, under R&D Expenses (net) does not include Rs. 40.68 Crores (Previous Year Rs. 81.54 Crores) relating to Ahmedabad locations. (Refer Note 53(a))

**49 Movement in Provisions :**

(Rs. in Crores)

Particulars	Litigations / Disputes	
	2021	2020
Balances as at the beginning of the year	3.50	3.50
Additions	-	-
Unwinding of Discount	-	-
Revaluation of closing balances	-	-
Amount used	-	-
Unused amounts reversed	-	-
<b>Balances as at the end of the year</b>	<b>3.50</b>	<b>3.50</b>
Classified as Non-current	-	-
Classified as Current (Refer Note 24)	3.50	3.50
<b>TOTAL</b>	<b>3.50</b>	<b>3.50</b>

Provision for litigation / disputes represents claims against the Company not acknowledged as debts that are expected to materialise in respect of matters under litigation. Future cash outflows are determinable only on receipt of judgments/decisions pending with various forums/authorities.



50 Income taxes relating to operations

a) Tax expense recognised in statement of profit and loss

Particulars	(Rs.in Crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current tax (for continuing and discontinuing operations) :</b>		
In respect of the current year	-	130.42
	-	<b>130.42</b>
<b>Deferred tax (for continuing and discontinuing operations) :</b>		
In respect of the current year	79.58	(121.05)
Tax adjustment for earlier years (Refer note h)	-	385.62
	<b>79.58</b>	<b>264.57</b>
Total tax expense recognised	<b>79.58</b>	<b>394.99</b>
<b>Total tax expense attributable to</b>		
from continuing operations	51.02	390.40
from discontinuing operations	28.56	4.59

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

Particulars	(Rs.in Crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current tax :</b>	-	-
<b>Deferred tax :</b>		
Arising on income and expenses recognised in other comprehensive income:		
Fair value Remeasurement of hedging instruments entered into for cash flow hedges	3.37	(6.04)
Changes in fair values of equity instruments	(10.46)	-
Remeasurement of defined benefit obligation	0.03	(0.81)
Total tax expense recognised	<b>(7.06)</b>	<b>(6.85)</b>

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	March 31, 2020
Deferred tax assets	160.58	229.69
Deferred tax liabilities	(39.22)	(194.81)
	<b>121.36</b>	<b>34.88</b>

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

d) Movement of Deferred Tax during the year ended March 31, 2021

Particulars	(Rs. in Crores)				
	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in Capital reserves (Refer note 53(a))	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>					
Measurement of financial liabilities at amortised cost	(19.64)	(11.63)	-	-	(31.27)
Measurement of financial assets at amortised cost/fair value	25.76	(2.19)	10.46	-	34.03
Provision for assets of financial services	100.83	(40.99)	-	-	59.84
Fair value measurement of derivative contracts	4.44	(1.23)	(3.37)	-	(0.16)
Other Provisions	5.23	6.09	-	-	11.32
Property, Plant and Equipment and Intangible Assets	(175.17)	8.38	-	159.00	(7.79)
Deferred Revenue	59.02	(23.34)	-	-	35.68
Amortisation of expenses which are allowed in current year	0.23	(0.04)	-	-	0.19
Expenses that are allowed on payment basis	32.87	(14.67)	(0.03)	-	18.17
Recognition of lease rent expense	1.31	0.04	-	-	1.35
<b>Total</b>	<b>34.88</b>	<b>(79.58)</b>	<b>7.06</b>	<b>159.00</b>	<b>121.36</b>

Movement of Deferred Tax during the year ended March 31, 2020

Particulars	(Rs. in Crores)			
	Opening balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Measurement of financial liabilities at amortised cost	(62.99)	43.35	-	(19.64)
Measurement of financial assets at amortised cost/fair value	0.83	24.93	-	25.76
Provision for assets of financial services	45.67	55.15	-	100.83
Fair value measurement of derivative contracts	(4.36)	2.76	6.04	4.44
Other Provisions	7.96	(2.73)	-	5.23
Property, Plant and Equipment and Intangible Assets	(234.81)	59.64	-	(175.17)
Deferred Revenue	58.47	0.55	-	59.02
Amortisation of expenses which are allowed in current year	0.32	(0.09)	-	0.23
Expenses that are allowed on payment basis	58.52	(26.46)	0.81	32.87
Unused tax credit (MAT credit entitlement)	421.74	(421.74)	-	-
Recognition of lease rent expense	1.24	0.07	-	1.31
<b>Total</b>	<b>292.60</b>	<b>(264.57)</b>	<b>6.85</b>	<b>34.88</b>

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

Particulars	(Rs. in Crores)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Profit before tax from continuing and discontinuing operations</b>	119.48	539.84
<b>Income tax expense calculated at 25.17%</b>	<b>30.07</b>	<b>135.88</b>
Effect of expenses that are not deductible in determining taxable profit	74.44	42.93
Effect of incomes which are exempt from tax	-	(160.47)
Effect of deduction in tax for interest on Compulsorily Convertible Debentures	(36.94)	(13.03)
Tax adjustment for earlier years on account of new tax regime being opted (refer note h)	-	385.62
Effect of business loss off set against capital gain recognised in capital reserve	8.90	-
Effect of deduction from dividend income	(21.13)	-
Others	24.24	4.06
<b>Income tax expense recognised in profit or loss</b>	<b>79.58</b>	<b>394.99</b>

f) The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the year 2020-21 and 2019-20.

g) In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

h) The Company during the previous year has exercised the option of lower tax permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act'). Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 basis the rate provided in the said Amendment Act. The Company has re-measured the opening balance of Deferred Tax Assets (net) including Minimum Alternate Tax (MAT) as at April 1, 2019 and accounted net tax expense of Rs. 385.62 crores relating to the same in the previous year.

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

**51 Fair Value Measurement**

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

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investments	1,544.45	1,456.07	537.26	858.76	492.47	1,132.56
Loans	-	-	6,860.69	-	-	10,949.37
Cash & Bank Balances	-	-	966.11	-	-	78.74
Trade Receivables	-	-	155.08	-	-	657.10
Other Financial Assets	-	-	734.54	-	-	118.86
	<b>1,544.45</b>	<b>1,456.07</b>	<b>9,253.68</b>	<b>858.76</b>	<b>492.47</b>	<b>12,936.63</b>
<b>Financial liabilities</b>						
Borrowings (including current maturities of Long Term Borrowings)	-	-	6,671.90	-	-	10,575.52
Trade Payables	-	-	437.41	-	-	617.82
Other Financial Liabilities	0.64	-	76.44	17.66	-	129.58
	<b>0.64</b>	<b>-</b>	<b>7,185.75</b>	<b>17.66</b>	<b>-</b>	<b>11,322.92</b>

b) **Fair Value Hierarchy and Method of Valuation**

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

Financial Assets	Notes	Carrying Value	March 31, 2021			Total
			Level 1	Level 2	Level 3	
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
<b>Investments</b>						
Investments in Preference Shares	i.	105.00	-	-	105.00	105.00
Investments in debentures or bonds : Redeemable Non-Convertible Debentures	iii.	554.60	-	-	554.60	554.60
Investment in Alternative Investment Fund	v.	634.84	-	-	634.84	634.84
<b>Measured at FVTOCI</b>						
Investments in Equity Instruments	iv.	1,456.07	1,456.07	-	-	1,456.07
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
<b>Investments</b>						
Investments in debentures or bonds (Gross of adjustment for Expected Credit Loss allowance)	vii.	700.66	269.26	-	433.94	703.20
<b>Loans</b>						
Term Loans (Gross of adjustment for Expected Credit Loss allowance)	vii.	24.38	-	-	24.38	24.38
Intercorporate Deposits (Gross of adjustment for Expected Credit Loss allowance)	vii.	2,770.14	-	-	2,752.26	2,752.26
<b>Financial Liabilities</b>						
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
Borrowings (including Current Maturities of Long -Term Borrowings) (Gross)	viii.	6,671.90	-	-	6,727.84	6,727.84
<b>Measured at FVTPL</b>						
Derivative Financial Liabilities	vi.	0.64	-	0.64	-	0.64

Financial Assets	Notes	Carrying Value	March 31, 2020			Total
			Level 1	Level 2	Level 3	
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
<b>Investments</b>						
Investments in Preference Shares	i.	105.00	-	-	105.00	105.00
Investments in debentures or bonds : Redeemable Optionally Convertible Debentures	ii.	23.13	-	-	23.13	23.13
Redeemable Non-Convertible Debentures	iii.	650.37	-	-	650.37	650.37
Investments in Share Warrants	iv.	1.48	-	-	1.48	1.48
Investment in Alternative Investment Fund	v.	78.77	-	-	78.77	78.77
<b>Other Financial Assets</b>						
Derivative Financial Assets	vi.	-	-	-	-	-
<b>Measured at FVTOCI</b>						
Investments in Equity Instruments	iv.	492.47	492.47	-	-	492.47
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
<b>Investments</b>						
Investments in debentures or bonds (Gross of Expected Credit Loss allowance)	vii.	1,458.80	152.30	-	1,335.21	1,487.51
<b>Loans</b>						
Term Loans (Gross of Expected Credit Loss allowance)	vii.	32.68	-	-	-	-
Intercorporate Deposits (Gross of Expected Credit Loss allowance)	vii.	107.69	-	-	106.95	106.95
<b>Financial Liabilities</b>						
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
Borrowings (including Current Maturities of Long-Term Borrowings) (Gross)	viii.	10,575.52	-	-	10,742.86	10,742.86
<b>Measured at FVTPL</b>						
Derivative Financial Liabilities	vi.	17.66	-	17.66	-	17.66

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values.

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

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for Investment in Preference Shares, Alternative Investment Funds, Debentures, Term Loans and Inter Corporate Deposits.

**Valuation techniques used to determine the fair values:**

- The fair value of the preference shares has been calculated by using price to earnings method.
- The fair value of the optionally convertible debentures has been calculated by using price to earnings method observed for comparable peers in the industry.
- Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data.
- This includes listed equity instruments which are fair valued using quoted prices and closing NAV in the market.
- Investments in Alternative Investment Funds is valued basis the net asset value received from the fund house.
- This includes forward exchange contracts whose fair value is determined using forward exchange rate at the balance sheet date.
- Discounted cash flow method basis contractual cash flow has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates. Credit risk adjustment has not been considered while arriving at the fair values.
- Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

**c) Fair value measurements for financial assets measured at FVTPL using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the year ended March 31, 2021 and March 31, 2020,

Particulars	(Rs. in Crores)				
	Debentures (NCDs & OCDs)	Preference shares	Alternative Investment Fund	Share Warrants	Total
<b>As at April 01, 2019</b>	816.21	115.00	43.90	-	975.11
Acquisitions	-	-	30.00	4.48	34.48
Gains / (Losses) recognised in profit or loss	57.86	(10.00)	4.87	(3.00)	49.73
Transfer out during the year	-	-	-	-	-
Realisations	(200.56)	-	-	-	(200.56)
<b>As at March 31, 2020</b>	<b>673.51</b>	<b>105.00</b>	<b>78.77</b>	<b>1.48</b>	<b>858.76</b>
Acquisitions	-	-	524.70	-	524.70
Gains / (Losses) recognised in profit or loss	(21.93)	-	31.37	(1.48)	7.96
Realisations	(96.98)	-	-	-	(96.98)
<b>As at March 31, 2021</b>	<b>554.60</b>	<b>105.00</b>	<b>634.84</b>	<b>-</b>	<b>1,294.44</b>

**d) Valuation Process**

The Company engages external valuation consultants to fair value below mentioned financial instruments measured at FVTPL. The main level 3 inputs used for preference shares and debentures are as follows:

- For Non Convertible Debentures, Waterfall approach has been used to arrive at the yields for securities held by the Company. For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data have been used.
- For Preference Shares and Optionally Convertible Debentures, considered the value as maximum of debt value or equity value as on valuation date. For computation of debt value, discounted cash flow method has been used. For computation of equity value, market approach - comparable company multiple approach, the price to earnings multiple of peer companies in particular has been used.

**e) Sensitivity for instruments measured at FVTPL :**

Nature of the instrument	Fair value As on March 31, 2021	Fair value As on March 31, 2020	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2021		Sensitivity Impact for the year ended March 31, 2020	
					FV Increase	FV Decrease	FV Increase	FV Decrease
					Non Convertible Debentures	554.60	650.37	Discount rate
			Equity component (projections)	10%	-	-	-	-
Optionally Convertible Debentures	-	23.13	Discount rate	1% for March 20	-	-	-	-
			Equity valuation	10% for March 20	-	-	6.00	(6.00)
	105.00	105.00	Equity valuation	10%	-	-	-	-
Preference Shares	105.00	105.00	Discount rate	0.375% (0.7% for March 20)	(0.60)	0.60	(1.06)	1.07

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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

**PIRAMAL ENTERPRISES LIMITED****Notes to financial statements for the Year ended March 31, 2021**

**52(a)** (i) On December 19, 2019, 115,894 Compulsorily Convertible Debentures ("CCD") having face value of Rs. 151,000 per CCD were allotted to Caisse de dépôt et placement du Québec for an aggregate amount of Rs. 1,749.99 crores. Each CCD is convertible into 100 equity shares having face value of Rs. 2 each.

(ii) On October 25, 2017, 464,330 Compulsorily Convertible Debentures ("CCD") having face value of Rs. 107,600 per CCD were allotted to the CCD holders for an aggregate amount of Rs. 4,996.19 crores. Each CCD was convertible into 40 equity shares of Rs. 2 each. 225,000 equity shares were allotted by the Company pursuant to optional conversion of 5,625 CCDs by the CCD holders and 4,162,000 equity shares were allotted by the Company pursuant to optional conversion of 104,050 CCDs by the CCD holders during the year ended March 31, 2018 and March 31, 2019, respectively. During the three months ended June 30, 2019, 548,120 equity shares were allotted by the Company pursuant to optional conversion of 13,703 CCDs and 13,638,080 Equity shares were allotted pursuant to compulsory conversion of outstanding 340,952 CCDs on maturity, respectively.

**52(b)** (i) On December 24, 2019, the Company offered 27,929,649 equity shares under Rights Issue at a price of Rs.1,300 per share (including premium of Rs.1,298 per share). Out of the aforesaid issue, 26,385,861 equity shares were allotted by the Company on January 29, 2020 and 1,535,944 Rights Equity shares have been reserved for the CCD Holder (as per regulation 74(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018) and 7,844 Rights Equity Shares have been kept in abeyance.

(ii) On March 8, 2018, the Company had issued 8,310,275 equity shares under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share). Out of this rights issue, 11,298 and 7,485,574 equity shares were allotted by the Company during the year ended March 31, 2019 and year ended March 31, 2018, respectively.

During the three months ended June 30, 2019 and September 30, 2019, 213,392 and 66 equity shares, respectively, were allotted by the Company under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share) to the CCD holders out of the Right Equity shares reserved for them (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and shares held in abeyance.

As on March 31, 2021, 24,573 Rights equity shares have been kept in abeyance. 575,372 Rights equity shares reserved for the CCD holders (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) have not been subscribed by them and these unsubscribed rights shall be dealt with by the Board of Directors of the Company, in accordance with the law and hence are considered to be dilutive in nature.

**52(c)** Proceeds from the rights issue have been utilised upto March 31, 2020 in the following manner :

Particulars	(Rs. in Crores)	
	Planned	Actual till 31/03/2020
a) Repayment or prepayment, in full or in part, of certain borrowings in Piramal Enterprises Ltd & Piramal Capital Housing Finance Ltd	2,900.00	2,900.00
b) General Corporate Purposes	718.31	517.62
Add: Issue related expenses #	12.54	12.54
<b>Total</b>	<b>3,630.85</b>	<b>3,430.16</b>
Less : Rights Shares held in Abeyance (Refer note 52 (b))	(1.02)	-
Less : Rights Shares reserved in favour of Compulsorily Convertible Debenture Holders (Refer note 52 (b))	(199.67)	-
<b>Total</b>	<b>3,430.16</b>	<b>3,430.16</b>

# Issue expenses of Rs.14.77 Crores were incurred as against the estimated expenses of Rs. 12.54 Crores.

**PIRAMAL ENTERPRISES LIMITED****Notes to financial statements for the Year ended March 31, 2021**

**52(d)** The National Company Law Tribunal had approved a "Scheme of Amalgamation" ("Scheme") of Piramal Phytocare Limited ("Transferor company"), an associate of the Company, with the Company and its respective shareholders vide its order dated November 4, 2019. Pursuant to the necessary filings with Registrar of Companies, Mumbai, the Scheme has become effective from December 2, 2019 with the appointed date of April 1, 2018. As prescribed by the Scheme, 305,865 equity shares of the Company of Rs. 2/- each were issued to the shareholders of Transferor Company on December 13, 2019, as a consideration in the ratio of 1 fully paid up equity share of Rs 2 each of the Company for every 70 equity shares of Rs 10 each held in transferor Company.

The amalgamation has been accounted for under the "pooling of interest" method referred to in Appendix C of Ind AS 103 - Business Combinations of Entities under Common Control, as prescribed by the Scheme. Accordingly, all the assets, liabilities and reserves of transferor company as on April 01, 2018 have been aggregated with those of the Company at their respective book values. The comparative financial information in the financial statements of the Company have been restated for the accounting impact of merger, as if the merger had occurred from the beginning of the comparative period. The difference of Rs.21.35 Crores between the net value of assets, liabilities and reserves of the transferor company acquired and the sum of (a) the face value of new shares issued and allotted pursuant to merger and (b) the carrying value of investment of the Company in equity shares of transferor Company being cancelled has been transferred to capital reserve of the Company, as prescribed by the Scheme. The impact of merger is not significant on the financial statements and EPS of the Company.

The book value of assets, liabilities and reserves taken over from the transferor companies as on the appointed date were transferred to the Company as mentioned below:

<b>Particulars</b>	<b>(Rs. In Crores)</b>	
<b>Assets</b>		
Non-Current Assets		
Property, Plant & Equipment	0.31	
Other Non Current Assets	<u>0.31</u>	0.62
Current Assets		
Inventories	0.32	
Financial Assets:		
Trade Receivables	1.00	
Cash & Cash equivalents	1.98	
Bank balances other than above	0.00	
Other Financial Assets	0.21	
Other Current Assets	<u>3.96</u>	7.47
<b>Total Assets</b>	<b>(I)</b>	<b>8.09</b>
<b>Liabilities</b>		
Non-Current Liabilities		
Provisions	<u>0.45</u>	0.45
Current Liabilities		
Financial Liabilities:		
Trade payables	2.90	
Other Financial Liabilities	1.18	
Other Current Liabilities	19.94	
Provisions	<u>1.05</u>	25.07
<b>Total Liabilities</b>	<b>(II)</b>	<b>25.52</b>
<b>Reserves</b>		
Securities Premium	2.50	
Surplus in Statement of Profit and Loss	<u>(45.89)</u>	(43.39)
<b>Total Reserves</b>	<b>(III)</b>	<b>(43.39)</b>
Net value of Assets, liabilities and reserves (I-II-III)		25.96
Less: Carrying value of investment of the Company in equity shares of transferor Company being cancelled		(4.55)
Less: Face value of new shares issued and allotted pursuant to merger		(0.06)
<b>Amount Credited to Capital Reserve (Refer Note 17)</b>		<b>21.35</b>



**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

**53 (a) Discontinued operations**

**(i) Transfer of Pharma Business:**

The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had inter alia, approved the sale of the major line of pharmaceuticals business, ('Pharma business'), including those held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Ltd., a subsidiary of the Company ('PPL'). The transaction was completed on October 6, 2020 on receipt of requisite approvals. The consideration received by the company from PPL is Rs 4,487 crores and the excess of such consideration the net assets, net of tax, has been transferred to capital reserve, the transaction being a common control transaction under Ind AS 103 "Business Combinations".

Consequently, operations relating to the Pharma Business in respect of total income, total expenses and tax have been disclosed separately as Discontinued Operations as part of the results. The previous periods have been restated in the standalone financial statements to give effect to the presentation requirements of Ind AS 105: " Non - Current Assets Held for Sale and Discontinued Operations"

**(ii) Analysis of profit/ (loss) for the year from discontinued operations:**

	<b>Year Ended March 31, 2021</b>	<b>Rs. in Crores Year Ended March 31, 2020</b>
Revenue from operations	1,075.84	2,206.29
Other income	81.35	33.94
<b>Total Income (I)</b>	<b>1,157.19</b>	<b>2,240.23</b>
Cost of Goods Sold	395.38	837.80
Other expenses	535.70	1,138.23
<b>Total Expenses (II)</b>	<b>931.08</b>	<b>1,976.03</b>
<b>Profit/(Loss) before exceptional items and tax ((I)-(II))</b>	<b>226.11</b>	<b>264.20</b>
Exceptional items	(37.43)	-
<b>Profit/(Loss) before tax</b>	<b>188.68</b>	<b>264.20</b>
Less:Tax expense	28.56	4.59
<b>Profit/(Loss) from discontinued operations after tax</b>	<b>160.12</b>	<b>259.61</b>
<b>Other Comprehensive Income and (Expense) (OCI)</b>		
Deferred gains / (losses) on cash flow hedge, net of tax	4.30	-
	4.30	-
<b>Total Comprehensive Income, net of tax expense</b>	<b>164.42</b>	<b>259.61</b>

**(iii) Cash flows from discontinued operations**

	<b>Year Ended March 31, 2021</b>	<b>Rs. in Crores Year Ended March 31, 2020</b>
Net cash inflows from operating activities	52.57	90.91
Net cash outflows from investing activities	(50.71)	(112.35)
Net cash outflows from financing activities	(1.12)	(1.36)

**PIRAMAL ENTERPRISES LIMITED**  
**Notes to financial statements for the Year ended March 31, 2021**

**53(b) Disposal of Pharmaceutical business**

	<b>Rs. in Crores</b> <b>Year Ended</b> <b>March 31, 2021</b>
<b>(i) Consideration received</b>	
Consideration in form of cash received	3,710.00
Consideration in form of cash receivable	592.00
Consideration in form of shares	185.00
<b>Total consideration</b>	<b>4,487.00</b>
<b>(ii) Analysis of asset and liabilities over which control was lost on October 6, 2020:</b>	
<b>Assets</b>	
Property, Plant & Equipment	1,273.29
Investment in Subsidiaries, Associates and Joint Venture	1,526.42
Other Intangible Assets	339.47
Trade receivables	458.82
Inventories	530.21
Other assets	570.60
<b>Total assets</b>	<b>4,698.81</b>
<b>Liabilities</b>	
Trade payables	516.60
Other liabilities	142.44
Other Equity	4.30
<b>Total liabilities</b>	<b>663.34</b>
<b>Net assets disposed off</b>	<b>4,035.47</b>
<b>(iii) Gain on disposal</b>	
Consideration	4,487.00
Less: Net assets disposed off	(4,035.47)
Less: Difference in carrying value of investment transferred and fair value of shares received	(98.56)
Add: Tax adjusted in reserves	93.79
<b>Gain on disposal</b>	<b>446.76</b>

**PIRAMAL ENTERPRISES LIMITED**

**Notes to financial statements for the Year ended March 31, 2021**

**54** 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.

**55** The financial statements have been approved for issue by Company's Board of Directors on May 13, 2021.

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Signature to note 1 to 55 of financial statements

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



**Ajay G. Piramal**

Chairman

London, May 13, 2021



**Vivek Valsaraj**

Chief Financial Officer

Mumbai, May 13, 2021



**Bipin Singh**

Company Secretary

Mumbai, May 13, 2021

**Suresh Surana & Associates LLP**

Chartered Accountants  
308-309, A wing,  
Technopolis Knowledge Park,  
Mahakali Caves Road,  
Andheri (East), Mumbai- 400 093.  
Maharashtra, India.

**Bagaria & Co LLP**

Chartered Accountants  
701 Stanford, S V Road,  
Andheri West,  
Mumbai – 400 058  
Maharashtra, India.

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**Independent Auditors' Review Report on Quarterly Unaudited Consolidated Financial Results pursuant to the Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.**

Review Report to  
The Board of Directors of  
Piramal Enterprises Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Piramal Enterprises Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its share of the profit after tax and total comprehensive income of its joint ventures and associate for the quarter ended 30 June 2023, (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and Regulation 52 of Securities and Exchange Board of India (the "SEBI") (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated 29 March 2019.
2. This Statement which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed the procedures in accordance with Circular No. CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities listed in Annexure 1.



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Emphasis of Matters:**

**6. Deferred Tax Assets on Business Combination**

In case of Piramal Capital & Housing Finance Limited ("PCHFL"), wholly owned subsidiary, the Component auditors have drawn attention with respect to approval of the resolution plan submitted by the erstwhile Piramal Capital & Housing Finance Limited ('ePCHFL') in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which ePCHFL had merged into DHFL with effect from 30 September 2021 (hereinafter referred to as 'the business combination'). The subsidiary, based on the opinion of experts, had not recognized certain deferred tax assets while determining the fair value of assets and liabilities acquired by way of the business combination. (Refer Note 7)

**7. Principal Business Criteria**

In case of PCHFL, the Component auditors have drawn attention with respect to the requirement of compliance by the subsidiary with the Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 along with current status of such compliance. (Refer Note 8)

**Other Matters**

8. We did not review the interim financial information of three subsidiaries included in the Statement, whose interim financial information reflect total revenue of Rs. 1,692.81 crores, total net profit after tax of Rs. 45.65 crores, and total comprehensive income of Rs. 42.21 crores for the quarter ended June 30, 2023, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 0.84 Crores and total comprehensive income of Rs. 31.33 crores for the quarter ended 30 June 2023, in respect of one joint venture, whose financial results have not been audited by us. The interim financial information of these subsidiaries and joint venture have been reviewed by other auditors whose reports have been furnished to us / Component auditors by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture are based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above, Our conclusion on the Statement is not modified in respect of this matter.
9. The Statement include the interim financial information of nineteen subsidiaries which have not been reviewed or audited by their auditors, whose interim financial information reflect total revenue of Rs. 3.27 crores, total loss after tax of Rs. 1.79 crores, and total comprehensive income / (loss) of Rs. (1.64) crores for the quarter ended 30 June 2023 as considered in the Statement. The Statement also include the Group's share of profit after tax of Rs. 21.90 crores and total comprehensive income of Rs. 21.90 crores for the quarter ended 30 June 2023 as considered in the Statement, in respect of five joint ventures and one associate, based on their interim financial information which have not been reviewed by their auditors. These financial statements have been certified by the Company's Management and furnished to us, and our opinion, in so far as it relates to the amount and disclosures



included in respect of the said subsidiaries, joint ventures and associates is also based solely on these certified financial statements. According to the information and explanations given to us by the Management, the interim financial information in respect of these subsidiaries, joint ventures and associate is not material to the Group.

10. The Statement includes comparative unaudited financial figures of the Group for the quarter ended 30 June 2022. The unaudited financial results for the quarter ended 30 June 2022, have been reviewed by predecessor auditor whose report dated 29 July 2022, expressed an unmodified conclusion on those financial results.

Above reviewed financial results have been restated pursuant to:

(a) the Holding Company receiving the Certificate of Registration from the Reserve Bank of India, to carry on the business of non-banking financial company, the Holding Company prepared and presented its financial statements / results as per the format prescribed in Division III of Schedule III to Companies Act, 2013. The Statement includes comparative financial figures for the quarter ended 30 June 2022, which have been restated and reclassified to conform to the new format (Refer Note 3); and

(b) the National Company Law Tribunal approval of Composite Scheme of Arrangement for demerger of Pharma undertaking and merger of PHL Fininvest Private Limited, a wholly owned subsidiary, into the Holding Company, effective from 1 April 2022, the comparative financial figures included in the Statement have been restated. (Refer Note 4).

11. The following other matter paragraph is given by another firm of Chartered Accountants vide their report dated 17 July 2023 on unaudited financial results of Pramerica Life Insurance Limited, a joint venture company, which is reproduced as under:

"The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's appointed actuary ('the Appointed Actuary'). The actuarial valuation of liabilities for policies in force as at 30 June 2023 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with IRDAI. We have relied upon the Appointed Actuary's certificate in this regard. The valuation of liability of embedded derivatives in insurance contracts as at 30 June 2023 has been duly certified by the Appointed Actuary. We have relied upon the Appointed Actuary's certificate in this regard. The Statement includes figures for the corresponding previous quarter ended 30 June 2022, which have been approved by the Company's Board of Directors but have not been subjected to audit or limited review by us or any other auditor."

Our conclusion on the Statement is not modified in respect of the matters stated in 6, 7, 8, 9, 10 and 11 above.

**For Suresh Surana & Associates LLP**  
Chartered Accountants  
Firm Reg. No. 121750W / W-100010

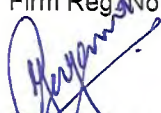
  
**Santosh Maller**  
Partner

Membership No.: 143824  
UDIN: 23143824B4QQFM2F03

Place: Mumbai  
Date: July 28, 2023



**For Bagaria & Co LLP**  
Chartered Accountants  
Firm Reg. No. 113447W / W-100019

  
**Rahul Bagaria**  
Partner

Membership No.: 145377  
UDIN: 23145377B6RAF7760

Place: Mumbai  
Date: July 28, 2023





**Annexure 1 to the Independent Auditors' Review Report**

(Referred to in paragraph 4 under Independent Auditors' review report)

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Sr. No.	Name of the Entity	Relationship
1.	Piramal Enterprises Limited	Holding Company
2.	Piramal International	Subsidiary
3.	Piramal Dutch IM Holdco B.V.	Subsidiary
4.	Piramal Capital & Housing Finance Limited	Subsidiary
5.	DHFL Advisory and Investment Private Limited	Subsidiary
6.	DHFL Holdings Limited	Subsidiary
7.	DHFL Investments Limited	Subsidiary
8.	PRL Agastya Private Limited	Subsidiary
9.	Piramal Fund Management Private Limited	Subsidiary
10.	INDIAREIT Investment Management Co.	Subsidiary
11.	Piramal Alternatives Private Limited	Subsidiary
12.	Piramal Investment Advisory Services Private Limited	Subsidiary
13.	Piramal Investment Opportunities Fund	Subsidiary
14.	Piramal Securities Limited	Subsidiary
15.	Piramal Systems & Technologies Private Limited	Subsidiary
16.	Piramal Technologies SA	Subsidiary
17.	PEL Finhold Private Limited	Subsidiary
18.	Piramal Consumer Products Private Limited	Subsidiary
19.	Virdis Infrastructure Investment Managers Private Ltd.	Subsidiary
20.	Piramal Finance Sales & Services Pvt. Ltd.	Subsidiary
21.	Piramal Payment Services Limited	Subsidiary
22.	Piramal Alternatives Trust	Subsidiary
23.	Piramal Asset Management Private Limited (up to 5 June 2023)	Subsidiary
24.	Pramerica Life Insurance Limited	Joint Venture
25.	India Resurgence ARC Private Limited	Joint Venture
26.	India Resurgence Asset Management Business Private Limited	Joint Venture
27.	India Resurgence Fund - Scheme 2	Joint Venture
28.	Piramal Structured Credit Opportunities Fund	Joint Venture
29.	Asset Resurgence Mauritius Manager	Joint Venture
30.	DHFL Ventures Trustee Company Private Limited	Associate



**Piramal Enterprises Limited**  
Statement of Consolidated Financial Results for the Quarter Ended 30 June 2023

Particulars	(₹ In Crores)			
	Three months ended 30/06/2023	Three months ended 31/03/2023	Three months ended 30/06/2022	For the year ended 31/03/2023
	Unaudited	Refer Note 14	Unaudited, Restated *	Audited
<b>Revenue from operations</b>				
Interest income	1,725.06	1,920.56	2,039.18	7,798.62
Dividend Income	76.21	91.71	0.04	91.75
Rental Income	20.37	20.30	0.40	23.02
Fees and commission income	90.16	95.81	53.82	291.64
Net gain / (loss) on fair value changes (Refer Note 9)	889.29	(269.36)	63.64	(808.75)
Sale of services	2.42	3.33	4.20	11.83
Other operating income	95.46	-	-	717.44
<b>Revenue from operations</b>	<b>2,898.97</b>	<b>1,862.35</b>	<b>2,161.28</b>	<b>8,125.55</b>
Other Income	20.82	11.31	23.12	152.44
<b>Total Income</b>	<b>2,919.79</b>	<b>1,873.66</b>	<b>2,184.40</b>	<b>8,277.99</b>
<b>Expenses</b>				
Finance cost	1,035.40	990.88	1,043.64	3,994.32
Fees and commission expenses	8.49	12.63	7.76	46.86
Net loss on derecognition of financial Instruments under amortised cost category (Refer Note 6)	1,481.95	2,904.91	51.49	4,642.17
Impairment allowance / (reversals) on financial Instruments	(1,172.98)	(2,501.45)	102.35	(155.86)
Employee benefits expenses	300.40	279.93	201.91	930.05
Depreciation, amortisation and impairment	37.20	40.60	24.53	122.88
Other expenses (Refer Note 11)	568.46	352.96	215.10	1,161.91
<b>Total expenses</b>	<b>2,258.92</b>	<b>2,080.46</b>	<b>1,646.78</b>	<b>10,742.33</b>
<b>Profit / (loss) before share of net profit of associates and joint ventures, exceptional items and tax</b>	<b>660.87</b>	<b>(206.80)</b>	<b>537.62</b>	<b>(2,464.34)</b>
Share of net profit of associates and joint ventures	21.06	13.11	149.30	388.61
<b>Profit / (loss) after share of net profit of associates and joint ventures before exceptional items and tax</b>	<b>681.93</b>	<b>(193.69)</b>	<b>686.92</b>	<b>(2,075.73)</b>
Exceptional gains / (losses) (net of tax) (Refer Note 5)	-	-	7,613.96	8,066.26
<b>Profit / (loss) before tax</b>	<b>681.93</b>	<b>(193.69)</b>	<b>8,300.88</b>	<b>5,990.53</b>
Current Tax	75.24	(197.74)	139.93	2.69
Deferred Tax (net)	97.91	199.75	5.48	(653.53)
Tax adjustment of earlier years	-	0.17	-	(3,327.21)
<b>Tax expense / (credit)</b>	<b>173.15</b>	<b>2.18</b>	<b>145.41</b>	<b>(3,978.05)</b>
<b>Profit / (loss) for the period / year</b>	<b>508.78</b>	<b>(195.87)</b>	<b>8,155.47</b>	<b>9,968.58</b>
<b>Other Comprehensive Income</b>				
<b>(A) (I) Items that will not be reclassified to profit or loss</b>				
(a) Changes in fair values of equity Instruments through OCI	(11.00)	22.50	(28.63)	197.95
(b) Remeasurement of the defined benefit plan	-	0.09	0.31	2.31
(II) Income tax relating to items that will not be reclassified to profit or loss	(11.81)	(5.85)	12.67	13.33
<b>(B) (I) Items that will be reclassified to profit or loss</b>				
(a) Deferred gains / (losses) on cash flow hedge	(0.72)	2.31	4.44	13.43
(b) Changes in fair values of debt Instruments through OCI	0.82	(0.77)	(39.96)	(17.32)
(c) Exchange differences on translation of financial statements of foreign operations	0.15	(18.10)	4.00	(8.53)
(d) Share of other comprehensive Income/ (expense) of associates and joint ventures accounted for using the equity method	32.17	2.75	(121.87)	(70.89)
(II) Income tax relating to items that will be reclassified to profit or loss	0.13	(0.48)	8.94	0.93
<b>Other Comprehensive Income for the period / year</b>	<b>9.74</b>	<b>2.45</b>	<b>(160.10)</b>	<b>131.21</b>
<b>Total Comprehensive Income for the period / year</b>	<b>518.52</b>	<b>(193.42)</b>	<b>7,995.37</b>	<b>10,099.79</b>



*Arulianand*

**Piramal Enterprises Limited**

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Kurla (West), Mumbai - 400 070 | CIN: L24110MH1947PLC005719

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**Piramal Enterprises Limited**  
Statement of Consolidated Financial Results for the Quarter Ended 30 June 2023

Particulars	(₹ in Crores)			
	Three months ended 30/06/2023	Three months ended 31/03/2023	Three months ended 30/06/2022	For the year ended 31/03/2023
	Unaudited	Refer Note 14	Unaudited, Restated *	Audited
Paid up equity share capital (Face value of ₹ 2 each)	47.73	47.73	47.73	47.73
Other equity				31,011.35
<b>Profit / (Loss) attributable to: Owners of Company</b>	508.78	(195.87)	8,155.47	9,968.58
<b>Other Comprehensive Income / (Expense) attributable to: Owners of Company</b>	9.74	2.45	(160.10)	131.21
<b>Total Comprehensive Income / (Loss) attributable to: Owners of Company</b>	518.52	(193.42)	7,995.37	10,099.79
<b>Earnings per equity share (Basic and Diluted) (Face value of ₹ 2 each)</b>	(Not annualised)	(Not annualised)	(Not annualised)	
Basic (₹)	21.32	(8.21)	341.71	417.68
Diluted (₹) <sup>⊗</sup>	21.25	(8.21)	341.68	416.30

\* Refer Notes 3 & 4 to the accompanying consolidated financial results

⊗ In view of loss for the quarter ended 31/03/2023, options which are anti-dilutive have been ignored in the calculation of diluted earnings per share.

*M. K. Bagaria*





**Statement of Consolidated Financial Results For The Quarter Ended 30 June 2023**

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on 28 July 2023 and subjected to limited review by joint auditors, pursuant to regulation 33 and 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- The Board of Directors at its meeting held on 28 July 2023 have approved a buyback of equity shares of the Company of upto 1,40,00,000 number of equity shares of face value of ₹ 2/- each representing 5.87% of the pre-buyback fully paid up equity shares at a price of ₹ 1,250 per share for an aggregate amount of ₹ 1,750 crores, through the tender offer route.
- Until the quarter ended 30 June 2022, the holding company used to prepare and present financial statements / results as per the format prescribed in Division II of Schedule III to Companies Act, 2013. On 26 July 2022, the holding company had received Certificate of Registration to carry on the business of Non-Banking Financial Institution. Hence, the holding company was required to prepare and present financial statements as per the format prescribed in Division III of Schedule III to Companies Act, 2013. The figures for the quarter ended 30 June 2022 in the above results had been accordingly restated and reclassified to conform to the new format. The following table represents reported numbers and restated numbers based on the above paragraph.

Particulars	(₹ in Crores)	
	Quarter ended	
	30 June 2022	
	(Unaudited, Restated)	(Unaudited, Reported)
Total income	2,184.40	3,726.46
Profit / (loss) for the period	8,155.47	485.98

- The composite scheme of arrangement ("the Scheme") for demerger of Pharma undertaking and merger of PHL Fininvest Private Limited, a wholly owned subsidiary company, into the Holding Company was approved by the Hon'ble National Company Law Tribunal on 12 August 2022. Accordingly, the Scheme became operative from Appointed date i.e. 1 April 2022. The comparative information viz 30 June 2022 figures had been restated to reflect per the requirements of Appendix A to Ind AS 103.

The holding company had given effect to accounting as follows:

i) Demerger of Pharma undertaking

All assets and liabilities pertaining to demerged Pharma undertaking have been classified as non-cash assets held for transfer to Piramal Pharma Limited / shareholders as on 1 April 2022 being the appointed date. The difference between book values of the assets and liabilities transferred is recognised as gains in Profit and loss account amounting to Rs. 7,613.96 crores as per the requirements of Appendix A to Ind AS 10. At the date of approval of scheme, the liability was subsequently remeasured resulting in remeasurement gain of Rs 759.76 crores. The corresponding aggregate charge was recognised in retained earnings (reserve) as per the requirements of the aforesaid Ind AS. The nature of the gain (including remeasurement gain) being non-recurring in nature was classified as exceptional item by the holding company.

(ii) Costs incidental / consequential to the arrangement aggregating to ₹ 307.46 crores (net of tax) incurred by the holding company was considered as exceptional items being non-recurring in nature.

- In consolidated financial results, exceptional items include :

Particulars	(₹ in Crores)	
	Three months ended 30/06/2022	For the year ended 31/03/2023
Gain on demerger of Pharma undertaking in relation to Note 4(i) above	7,613.96	8,373.72
Transaction cost in relation to Note 4(ii) above	-	(307.46)
<b>Total</b>	<b>7,613.96</b>	<b>8,066.26</b>

- The Group has recognised a prudential write off in compliance to Ind AS 109 amounting to ₹ 171.83 crores during the quarter ended 30 June 2023 (included in Net loss on derecognition of financial instruments under amortised cost category in the financial results). The same has been duly approved by the Board of Directors.
- During the financial year 2021-22, pursuant to the Resolution plan, as approved by the Mumbai bench of the Hon'ble National Company Law Tribunal, Piramal Capital & Housing Finance Limited ("PCHFL"), wholly owned subsidiary, merged into DHFL (Dewan Housing Finance Corporation Limited) to conclude acquisition on 30 September 2021 (Implementation Date). This business combination was treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103.

Based on the expert opinion, net deferred tax assets potentially amounting to ₹ 6,209 crores relating to the fair value adjustments on acquisition have not been recognized due to uncertainty associated with allowability of such adjustments. Based on the tax position taken by the Company, the potential unrecognised deferred tax assets as at 30 June 2023 stands at ₹ 4,120 crores.



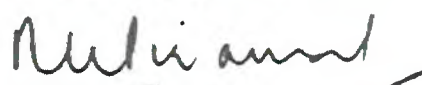
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**Statement of Consolidated Financial Results For The Quarter Ended 30 June 2023**

- 8 PCHFL is required to comply with Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions'). It had submitted a detailed business plan to the RBI in April and June 2022 detailing the roadmap to comply with the principal business criteria by 31 March 2024. Based on its submission, the RBI advised PCHFL to ensure compliance with the submitted business plan, as the same shall be monitored at regular intervals by the RBI and NHB. It is trailing in meeting committed PBC thresholds as at 30 June 2023. However, the management believes that PCHFL will be able to meet the required PBC thresholds latest by 31 March 2024. In order to achieve the above, PCHFL has changed its business strategy to shift focus majorly on housing finance loans and has decided to further reduce the Assets Under Management (AUM) in wholesale lending business.
- 9 During the year ended 31 March 2023, pursuant to Composite Scheme of Arrangement and Amalgamation in Shriram group, the Company received shares of Shriram Finance Limited (SFL), Shriram LI Holdings Private Limited (SLIH), Shriram GI Holdings Private Limited (SGIH) and Shriram Investment Holdings Limited (SIHL) against the shares of Shriram City Union Finance Limited (SCUF) and Shrirlekha Business Consultancy Private Limited (Shrilekha). These shares had been initially recognised as per the requirement of Ind AS 109 as follows:
- (a) Shares received against investment in SCUF resulted in gain of ₹ 172.10 crores accounted in other comprehensive income.  
 (b) Shares received against investment in Shrilekha resulted in gain of ₹ 717.44 crores accounted in profit and loss.
- Further, during the quarter ended 30 June 2023, the Holding Company had sold its entire stake in Shriram Finance Limited for a net consideration of ₹ 4,788.58 crores resulting in profit of ₹ 854.68 crores which has been recorded under "Net gain / (loss) on fair value changes"
- 10 Piramal Asset Management Private Limited ("PAMPL"), a non-operative, non-material wholly owned subsidiary, had completed its liquidation, based upon the struck off confirmation received by Registry by Accounting & Corporate Regulatory Authority on 5 June 2023. Consequent to which, PAMPL ceases to be a wholly-owned subsidiary of the Holding Company.
- 11 Based on review of internal and external factors, the Group has reassessed the assumptions, strategy and business model pertaining to its Real Estate fund management business. Accordingly, it has impaired the related goodwill amounting to ₹ 278.19 crores during the quarter ended 30 June 2023 and has recorded the same under "Other expenses".
- 12 The Holding Company and its subsidiaries are primarily engaged in the business of financing and accordingly there are no separate reportable segmental information as per Ind AS 108.
- 13 Disclosures in terms of Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30 June 2023 is attached as per Annexure 1
- 14 The figures for the last quarter of the financial year ended 31 March 2023 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the financial year ended 31 March 2023, which were subjected to limited review by statutory auditors.
- 15 Previous period/ year's figures have been regrouped/reclassified wherever necessary, to conform to current period / year's classification.

For **PIRAMAL ENTERPRISES LIMITED**

  
 Ajay G. Piramal  
 Chairman

28 July 2023, Mumbai



**Statement of Consolidated Financial Results For The Quarter Ended 30 June 2023**
**Annexure 1**
**Disclosures in terms of Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Sr. No.	Particulars	Three months ended 30/06/2023
1	Debt - Equity ratio [Debt Securities + Borrowings (other than debt securities) + Deposits + Subordinated debt] / Net Worth	1.64
2	Net Worth (₹ in crore)	29,086.01
3	Net Profit / (Loss) after tax (₹ in crore)	508.78
4	Earning per share [ not annualised]	
	Basic	21.32
	Diluted	21.25
5	Total debts to total assets ratio [Debt securities+Borrowings (other than debt securities)+Deposits+Subordinated debts] / Total Assets	58.12%
6	Net profit margin [Profit after tax / Total Income]	17.43%
7	Sector specific equivalent ratio as applicable	
	(A) Gross NPA (Stage 3 assets gross) ratio	2.79%
	(B) Net NPA (Stage 3 assets net) ratio	1.47%

Note: Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover, Operating margin ratio is not applicable to the Group.






**Suresh Surana & Associates LLP**  
Chartered Accountants  
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Maharashtra, India.

**Bagaria & Co LLP**  
Chartered Accountants  
701 Stanford, S V Road,  
Andheri West,  
Mumbai – 400 058  
Maharashtra, India.

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**Independent Auditors' Review Report on Quarterly Unaudited Standalone Financial Results pursuant to the Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.**

Review report to  
The Board of Directors of  
Piramal Enterprises Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Piramal Enterprises Limited ("the Company") for the quarter ended June 30, 2023 attached herewith (the "Statement") being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement which is the responsibility of the Company's management and approved by the Company's Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act 2013 ("the Act") as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards specified under Section 133 of the Act, as amended read with relevant rules issued thereunder and other recognised accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement includes comparative unaudited restated financial results for the quarter ended June 30, 2022. The financial results for the quarter ended June 30, 2022 have been reviewed by predecessor auditor whose reports dated July 29, 2022, expressed an unmodified conclusion and opinion, on those financial results.

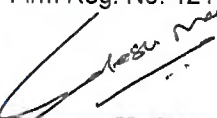


The above reviewed financial results have been restated pursuant to

- (a) the Company receiving the Certificate of Registration from the Reserve Bank of India, to carry on the business of non-banking financial company, accordingly it has prepared and presented its financial statements / results as per the format prescribed in Division III of Schedule III to Companies Act, 2013. The Statement includes comparative financial figures for the quarter ended June 30, 2022, which have been restated and reclassified to conform to the new format (Refer Note 3); and
- (b) the National Company Law Tribunal approval of Composite Scheme of Arrangement for demerger of Pharma undertaking and merger of PHL Fininvest Private Limited, an erstwhile wholly owned subsidiary, into the Company, effective from April 1, 2022, the comparative financial figures included in the Statement have been restated. (Refer Note 4 and 5)

Our conclusion on the Statement is not modified in respect of the above matter.

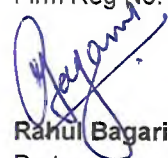
**For Suresh Surana & Associates LLP**  
**Chartered Accountants**  
Firm Reg. No. 121750W /W-100010

  
**Santosh Maller**  
Partner  
Membership No.: 143824  
UDIN: 23143824B6QQFN1209



Place: Mumbai  
Date: July 28, 2023

**For Bagaria & Co. LLP**  
**Chartered Accountants**  
Firm Reg No: 113447W / W-100019

  
**Rahul Bagaria**  
Partner  
Membership No.: 145377  
UDIN: 23145377B6RAFQ1359



Place: Mumbai  
Date: July 28, 2023

**Piramal Enterprises Limited**
**Statement of Standalone financial results for the Quarter ended 30 June 2023**
*(₹ in Crores)*

Particulars	Three months ended 30/06/2023	Three months ended 31/03/2023	Three months ended 30/06/2022	Previous year ended 31/03/2023
	(Unaudited)	(Refer Note 13)	(Unaudited, Restated)*	(Audited)
<b>Revenue from operations</b>				
Interest income	371.78	418.29	460.59	1,736.47
Dividend income	76.20	91.69	0.04	140.34
Fees and commission income	0.58	2.89	3.81	9.83
Net gain/(loss) on fair value changes (Refer Notes 6 & 7)	733.07	(332.34)	63.29	41.14
Other operating income (Refer Note 6)	12.75	-	-	2,857.44
<b>Revenue from operations</b>	<b>1,194.38</b>	<b>180.53</b>	<b>527.73</b>	<b>4,785.22</b>
Other income	7.96	8.52	11.87	51.91
<b>Total Income</b>	<b>1,202.34</b>	<b>189.05</b>	<b>539.60</b>	<b>4,837.13</b>
<b>Expenses</b>				
Finance cost	201.40	166.78	230.13	711.77
Fees and commission expenses	1.15	2.04	3.32	18.09
Net loss on derecognition of financial instruments under amortised cost category (Refer Note 9)	127.07	235.69	-	1,371.31
Impairment on financial instruments	(44.69)	(277.31)	117.90	3.42
Employee benefits expenses	33.22	9.82	18.68	83.86
Depreciation, amortisation and impairment	2.41	2.13	5.52	23.00
Other expenses (Refer Note 7)	152.75	60.38	53.19	227.00
<b>Total expenses</b>	<b>473.31</b>	<b>199.53</b>	<b>428.74</b>	<b>2,438.45</b>
<b>Profit / (loss) before exceptional items and tax</b>	<b>729.03</b>	<b>(10.48)</b>	<b>110.86</b>	<b>2,398.68</b>
Exceptional items gain/(loss) net of tax (Refer Notes 4 & 5)	-	-	11,459.96	11,912.22
<b>Profit / (loss) before tax</b>	<b>729.03</b>	<b>(10.48)</b>	<b>11,570.82</b>	<b>14,310.90</b>
<b>Tax expense</b>				
Current tax	74.56	-	17.63	-
Deferred tax (credit)/charge	77.43	46.40	4.66	(22.40)
	<b>151.99</b>	<b>46.40</b>	<b>22.29</b>	<b>(22.40)</b>
<b>Profit / (loss) for the period / year</b>	<b>577.04</b>	<b>(56.88)</b>	<b>11,548.53</b>	<b>14,333.30</b>
<b>Other comprehensive income</b>				
(A) Items that will not be reclassified to profit or loss				
Changes in fair values of equity instruments through OCI (Refer Note 6)	(6.91)	22.31	(26.90)	108.14
Remeasurement of the defined benefit plan	-	(0.76)	0.08	1.37
Income tax relating to items that will not be reclassified to profit or loss	(12.84)	(5.43)	12.67	36.31
(B) Items that will be reclassified to profit or loss				
Changes in fair values of debt instruments through OCI	0.61	(4.99)	-	(0.27)
Income tax relating to items that will be reclassified to profit or loss	-	1.16	-	0.02
<b>Total other comprehensive income net of tax</b>	<b>(19.14)</b>	<b>12.29</b>	<b>(14.15)</b>	<b>145.57</b>
<b>Total comprehensive income for the period / year</b>	<b>557.90</b>	<b>(44.59)</b>	<b>11,534.38</b>	<b>14,478.87</b>
Paid-up Equity Share Capital (Face Value of ₹ 2/-each)				47.73
Other Equity				23,986.73
<b>Earning per share</b>				
Basic (₹)	not annualised	not annualised	not annualised	
Diluted (₹)@	24.18	(2.38)	483.88	600.56
	24.10	(2.38)	483.83	598.58

\* Refer Notes 3,4 & 5 to the accompanying standalone results

@ In view of loss for the quarter ended 31/03/2023, options which are anti-dilutive have been ignored in the calculation of diluted earnings per share.


**Piramal Enterprises Limited**

Piramal Ananta Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400 070 | CIN: L24110MH1947PLC005719

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**Statement of Standalone financial results for the Quarter ended 30 June 2023**

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Piramal Enterprises Limited ("the Company") in its meeting held on 28 July 2023 and subjected to limited review by joint auditors, pursuant to Regulation 33 and Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- The Board of Directors at its meeting held on 28 July 2023, approved buyback of equity shares of the company of upto 1,40,00,000 number of Equity Shares of face value of ₹ 2/- each representing 5.87% of the pre-buyback fully paid up equity shares at a price of ₹1,250 per share for an aggregating to ₹ 1,750 crores, through the tender offer route.
- Up to the quarter ended 30 June 2022, the Company used to prepare and present financial statements/ results as per the format prescribed in Division II of Schedule III to Companies Act, 2013. On 26 July 2022, the Company has received Certificate of Registration to carry on the business of Non-Banking Financial Institution. Accordingly, the Company has prepared and presented financial statements as per the format prescribed in Division III of Schedule III to Companies Act, 2013. The figures for the quarter ended 30 June 2022 in the above results had been restated and reclassified to conform to the new format.
- The composite scheme of arrangement ("the Scheme") for demerger of Pharma undertaking and merger of PHL Fininvest Private Limited, a wholly owned subsidiary company, into the Company was approved by the Hon'ble National Company Law Tribunal on 12 August 2022. Accordingly, the Scheme became operative from Appointed date i.e. 1 April 2022. Consequently, the previously issued standalone financial results for quarter ended 30 June 2022 have been restated to give impact to the Scheme.

- In accordance with the above mentioned composite scheme of arrangement, in the previous period the Company has given effect to accounting as follows:

**I) Demerger of Pharma undertaking:-**

During the previous year, all assets and liabilities pertaining to demerged Pharma undertaking have been classified as non-cash assets held for transfer to Piramal Pharma Limited / shareholders as on 1 April 2022 being the appointed date. The difference between book values of the assets and liabilities transferred is recognised as gains in Profit and loss account amounting to ₹ 11,459.96 crores as per the requirements of Appendix A to Ind AS 10. At the date of approval of the Scheme, the liability was subsequently remeasured resulting in remeasurement gain of ₹ 759.76 crores. The corresponding aggregate charge was recognised in retained earnings (reserve) as per the requirements of the aforesaid Ind AS.

The nature of the gain (including remeasurement gain) being non-recurring in nature was classified as "exceptional items" by the Company.

**(II) Merger of PHL Fininvest Private Limited :-**

During the previous year All assets and liabilities of PHL Fininvest Private Limited have been recorded at book values as appearing in the financial statement after eliminating all inter-company transactions and balances. All prior period comparative information was restated as per the requirements of Appendix A to Ind AS 103.

The following table represents reported numbers and restated numbers based on above paragraph.

(₹ In Crores)


Particulars	Quarter ended	
	30 June 2022	30 June 2022
	Restated (Refer Notes 3 & 4)	Reported (Refer Notes 3 & 4)
Total Income	539.60	556.04
Profit after tax	11,548.53	28.08

(iii) Costs incidental / consequential to the arrangement aggregating to ₹ 307.46 crores (net of tax) incurred by the Company was considered as exceptional items being non-recurring in nature.

- During the previous year, pursuant to Composite Scheme of Arrangement and Amalgamation in Shriram group, the Company had received shares of Shriram Finance Limited (SFL), Shriram LI Holdings Private Limited (SLIH), Shriram GI Holdings Private Limited (SGIH) and Shriram Investment Holdings Limited (SIHL) against the shares of Shriram City Union Finance Limited (SCUF) and Shriram Business Consultancy Private Limited (Shrilekha). These shares have been initially recognised as per the requirement of Ind AS 109 as follows:
  - Shares received against investment in SCUF resulted in gain of ₹ 172.10 crores accounted in other comprehensive income.
  - Shares received against investment in Shrilekha resulted in gain of ₹ 2,857.44 crores accounted in profit and loss.
 Further, during the quarter ended 30 June 2023, the Company had sold its entire stake in Shriram Finance Limited for a net consideration of ₹ 4,788.58 crores resulting in profit of ₹ 854.68 crores which has been recorded under "Net gain / (loss) on fair value changes".
- Based on review of internal and external factors, the management has reassessed the assumptions, strategy and business model pertaining to its investments in Real Estate fund management business. Accordingly, the Company has recognised impairment provision of ₹ 108.26 crores, recorded under "Other expenses" and a fair valuation loss amounting to ₹ 61.01 crores, recorded under "Net gain/(loss) on fair value changes" during the quarter ended 30 June 2023.



*Nishi Anand*



- 8 All the secured non-convertible debentures of the Company are fully secured by way of first pari-passu charge by hypothecation over the movable assets and specific charge over the certain receivable and investments. Further, the Company has at all times for the non-convertible debentures Issued, maintained security cover as stated in the respective Information memorandum which is sufficient to discharge the principal amount, Interest accrued thereon and such other sums as mentioned therein.
- 9 The Company has recognised a prudential write off in compliance to Ind AS 109 amounting to ₹ 118.33 crores during the quarter (included in "Net loss on derecognition of financial Instruments under amortised cost category" in the financial results). The same has been approved by the Board of Directors.
- 10 The Company is primarily engaged in the business of financing and accordingly there are no separate reportable segmental information as per Ind AS 108.
- 11 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-2.2 dated 24 September 2021

(a) Details of loans (not in default) acquired through assignment for the quarter ended 30 June 2023:

Amount of loans acquired through assignment	₹ 966.97 crores
Retention of beneficial economic interest	Note 1
Weighted average residual maturity	32 months
Weighted average holding period	17 months
Coverage of tangible security	Note 2
Rating-wise distribution of rated loans	Unrated

**Note 1**

For Deals executed within the group, Retention of beneficial economic interest is Nil  
For External Deals, Retention of beneficial economic interest is 10%

**Note 2**

For Housing Loan/Loan Against Property/Mid Market Lending 100% cover  
For Unsecured Loans - NIL

(b) The Company has not transferred any loan (not in default) through assignment during the quarter ended 30 June 2023.

(c) The Company has not transferred any stressed loan during the quarter ended 30 June 2023.

(d) The Company has not acquired any stressed loan during the quarter ended 30 June 2023.

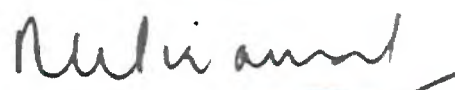
(e) Details of ratings on Security Receipts (SRs) outstanding as on June 30, 2023.

(₹ In Crores)			
Rating	Rating Agency	Recovery Rating	Amount outstanding
RR1	Infometrics Valuation and Rating Pvt Ltd	100% - 150%	446.34
Unrated*			67.18
	<b>Grand Total</b>		<b>513.52</b>

\* Pursuant to the Reserve Bank of India circular RBI/2021-22/154 DOR.SIG.FIN.REC 84/26.03.001/2021-22 dated February 10, 22, the security receipts issued to the Company by the Asset Reconstruction Company (ARC) towards consideration for transfer of stressed loans have not been rated by the ARC since the prescribed time period of six months has not elapsed from the date of acquisition of loans by the ARC.

- 12 Disclosure in terms of Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 for the quarter ended 30 June 2023 is attached as per Annexure 1.
- 13 The figures for the last quarter of previous financial year (restated) are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the previous financial year which were subjected to limited review by joint statutory auditors.
- 14 Previous period/ year's figures have been regrouped/reclassified wherever necessary, to conform to current period classification.

For Piramal Enterprises Limited

  
Ajay G. Piramal  
Chairman



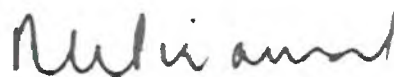
28 July 2023, Mumbai



**Statement of Standalone financial results for the Quarter ended 30 June 2023**
**Annexure 1**
**Disclosures in terms of Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Sr. No.	Particulars	For the quarter ended 30/06/2023
1	Debt - Equity ratio [Debt Securities + Borrowings (other than debt securities) + Deposit + Subordinated debt] / Net Worth	0.28
2	Net Worth (₹ in Crores)	20,717.53
3	Net Profit after tax (₹ in Crores)	577.04
4	Earning per share	
	Basic (₹)	24.18
	Diluted (₹)	24.10
5	Total debts to total assets ratio [Debt securities+Borrowings (other than debt securities)+Deposits+Subordinated debts] / Total Assets	19.06%
6	Net profit margin [Profit After Tax / Total Income]	47.99%
7	Sector specific equivalent ratio as applicable	
	(A) Gross NPA (Stage 3 assets gross) ratio	4.88%
	(B) Net NPA (Stage 3 assets net) ratio	2.18%

Note: Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover, Operating margin are not applicable to the Company.






**ANNEXURE B: CREDIT RATINGS AND RATING RATIONALES**

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Ref: ICRA/Piramal Enterprises Limited/27062023/05

Date: June 27, 2023

**Mr. Lalit Ostwal**

Head – Group Treasury

**Piramal Enterprises Limited**

4<sup>th</sup> Floor, Piramal Tower, Peninsula Corporate Park  
Ganpatrao Kadam Marg, Lower Parel,  
Mumbai – 400 013.

Dear Sir,

**Re: ICRA Credit Rating for the Rs. 3,000 crore Retail Non-Convertible Debenture(NCD) Programme of Piramal Enterprises Limited.**

Please refer to the Rating Agreement/Statement of Work dated May 22, 2023 executed between ICRA Limited (“ICRA”) and your company for carrying out the rating of the aforesaid Retail NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a **[ICRA]AA** (pronounced as ICRA double A) rating to the captioned Retail NCD Programme. Instruments with this rating indicate high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The outlook on the long-term rating is **Stable**.

In any of your publicity material or other document wherever you are using the above assigned rating, it should be stated as **[ICRA]AA (Stable)**.

We would request if you can provide your acceptance on the above Rating(s) by sending an email or signed attached acknowledgement to us latest by June 30, 2023 as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned rating by the aforesaid date, the rating will be treated by us as non accepted and shall be disclosed on ICRA’s website accordingly. This is in accordance with requirements prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated June 30, 2017.

Any intimation by you about the above rating to any banker/lending agency/government authorities/stock exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are



requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

**ANIL GUPTA**

Senior Vice President

[anilg@icraindia.com](mailto:anilg@icraindia.com)

#### Annexure

#### LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

Rated Instrument	Rated Amount (In Rs. crore)	Amount Outstanding as on June 27, 2023 (In Rs. crore)	Rating Action
Retail NCD Programme	3,000*	Nil	[ICRA]AA (Stable); assigned

\*The entire rated amount is unutilised as on June 27, 2023 and available for issuance

#### Acknowledgement

(To be signed and returned to ICRA Limited)

Please refer to your rating communication letter dated June 27, 2023. I hereby unconditionally accept and acknowledge the assigned rating.

We confirm that the undersigned is legally authorized to accept the rating on behalf of Piramal Enterprises Limited.

**For Piramal Enterprises Limited**

\_\_\_\_\_  
Name:

Designation:

Date:

**Note:** Please return a copy of the above communication along with the acknowledgement to ICRA Limited to [komal.mody@icraindia.com](mailto:komal.mody@icraindia.com)

July 05, 2023

## Piramal Enterprises Limited: Ratings assigned/reaffirmed

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures (NCD)	-	4,000	[ICRA]AA (Stable); assigned
Retail NCD	-	3,000	[ICRA]AA (Stable); assigned
NCD	1,540	1,540	[ICRA]AA (Stable); reaffirmed
Long-term/short-term – fund-based/non-fund based bank lines	1,000	1,000	[ICRA]AA (Stable) / [ICRA]A1+; reaffirmed
Short-term debt	1,500	1,500	[ICRA]A1+; reaffirmed
<b>Total</b>	<b>4,040</b>	<b>11,040</b>	

\*Instrument details are provided in Annexure I

### Rationale

To arrive at the ratings, ICRA has taken a consolidated view of the credit profiles of Piramal Enterprises Limited (PEL) and its wholly-owned subsidiary, i.e. Piramal Capital & Housing Finance Limited {PCHFL; erstwhile Dewan Housing Finance Corporation Limited (DHFL), together referred to as PEL or the company}, as the companies have operational and business synergies in addition to a shared name and management oversight.

The ratings continue to factor in PEL's comfortable capitalisation, with a consolidated net worth of Rs. 31,059 crore, a gross gearing of 1.6 times and a capital adequacy ratio of 31% as of March 31, 2023, domain experience given the Group's presence across the real estate industry value chain and its experienced management team. The ratings also factor in the increase in the share of retail loans, accounting for ~50% of the assets under management (AUM) as of March 31, 2023 compared to 11% as of June 2021. The company has aggressively diversified its retail product offerings in recent quarters, in line with its growth ambitions for the medium term. While reaffirming the ratings, ICRA also notes the sustained rundown in the legacy wholesale AUM<sup>1</sup>, although the same remains large at Rs. 31,845 crore with a sizeable vulnerable portfolio. Nonetheless, PEL's established position in the real estate lending segment and provision cover (~10% on the wholesale AUM) provide some comfort.

The ratings are constrained by the portfolio vulnerability emanating from the high sectoral concentration in the real estate segment, with large-ticket exposures in the wholesale lending portfolio (notwithstanding the decline in the concentration level in recent years), and the limited seasoning of the retail lending book. PEL intends to scale up its retail lending operations, leveraging the multi-product retail lending platform across the risk-reward spectrum, through an expanded branch network, a digital presence and partnerships with fintech and consumer tech firms. Meanwhile, the company intends to continue with its stated plan of pruning the share of the wholesale book. However, it plans to build a new wholesale 2.0 AUM that would be comparatively more diverse and granular with a smaller ticket size, targeting mid-sized developers across markets. In this regard, its ability to effectively manage the ambitious scale-up across a wide spectrum of products and maintain healthy asset quality would remain a monitorable. Inability to maintain adequate asset quality would exert further pressure on the profitability, which has already been impacted by the one-time additional provisions in recent quarters and elevated operating costs amidst the ongoing expansion in the retail segment.

ICRA takes note of the management's efforts to diversify and elongate the liabilities profile, given the past challenges in resource mobilisation faced by the company. The resource mobilisation trajectory will remain a monitorable. While the merger with DHFL led to greater diversification in the asset profile, PEL also witnessed elongation in the weighted average tenor of the borrowings,

<sup>1</sup> Includes security receipts, project receivables and land assets acquired in lieu of debt

higher share of fixed rate borrowings and the moderation<sup>2</sup> in the cost of funds since March 2020. Going forward, PEL's ability to continue to raise funds at competitive rates from diverse sources would remain a monitorable, though it is noted that the high share of fixed rate borrowings (while the share of the variable rate loan book is high) is likely to limit the adverse impact of the rising systemic interest rate trajectory. ICRA also notes the financial flexibility enjoyed by the company owing to its investments in Shriram Group companies (fair value of Rs. 6,211 crore as of March 31, 2023), a part of which was sold in Jun 2023 for a consideration of ~Rs. 4,823 crore.

## Key rating drivers and their description

### Credit strengths

**Comfortable capitalisation** – PEL's consolidated net worth (post restructuring and demerger of pharma business) stood at Rs. 31,059 crore with a gearing of 1.6 times (net gearing of 1.3 times) and a total capital adequacy ratio of 31% as of March 31, 2023. Of this, Rs. 22,487 crore was deployed to the lending business while the balance is deployed towards other assets like alternatives (Rs. 1,126 crore), insurance & others (Rs. 1,235 crore) and Shriram investments (Rs. 6,211 crore; of which Rs. 4,823 crore was monetised in June 2023). The company's consolidated capitalisation trajectory has been supported by fund-raising in recent years, besides the gains on investments in Shriram Group and the reversal of the deferred tax liability (DTL) related to the DHFL transaction. During FY2020-FY2021, PEL raised Rs. 18,173 crore of equity funds through various avenues, part of which was allocated to the financial services business. Moreover, PEL's accretion to reserves in FY2023, despite the large provisions and impairments, was supported by exceptional items/fair value gains related to the investment book and deferred tax. It is noted that the gains on the fair valuation of the pharma business have not impacted the residual balance sheet as those were demerged as a part of the pharma business demerger.

Notwithstanding the provisions and impairments in recent quarters, the current capitalisation (CRAR of 31% as of March 2023) remains comfortable for the company's high growth ambitions for the near to medium term, predominantly on the retail side. The company also sold its 8.34% stake in Shriram Finance Limited in June 2023, which would augment capital available for lending business. The remaining investments may be sold to unlock further capital, if required. However, ICRA notes that while PEL's solvency metric (net stage 3/net worth), basis the reported net stage 3 figure, is comfortable, the adjusted metric is elevated (net vulnerable portfolio/lending business' net worth) and remains a monitorable.

**Established position in real estate lending and experienced management team** – PEL has an established position in real estate lending and draws domain experience, given the Group's experience in real estate-based private equity investments, advisory services, and the development space. Further, given its extensive experience in the real estate lending segment, the company leverages the large network of developers with relationships built over a period of time. PEL also has an experienced management team. While the company's experience in retail lending remains limited, it has hired seasoned professionals to build its franchise in this segment. PEL has also engaged external consultants for framing its credit policies and credit appraisal systems, expansion strategy and operational policies. Nonetheless, ICRA notes that the company's ability to leverage the aforesaid management bandwidth and investments to scale up the retail book, while maintaining a healthy asset quality and earnings profile, would be a key monitorable.

As of March 31, 2023, PEL had consolidated AUM of Rs. 63,989 crore (excluding Rs. 13,433 crore of off-balance sheet retail assets acquired from DHFL, which is now being managed by PEL) compared to Rs. 47,181 crore as on June 30, 2021 (prior to DHFL acquisition). The proportion of retail assets in the overall AUM increased to ~50% as of March 31, 2023 from 11% as of June 30, 2021 (43% as of December 31, 2022). Going forward, PEL aims to be a diversified lender with a focus on becoming retail oriented. On the wholesale side, it plans to build a new wholesale 2.0 AUM that would be comparatively more diverse and granular with a smaller ticket size, targeting mid-sized developers across markets.

<sup>2</sup>~280 bps since March 2020 (including NCD raised for the DHFL transaction)

## Credit challenges

**Portfolio vulnerability, given sizeable exposure to real estate segment and limited seasoning of retail book** – PEL's consolidated AUM comprised retail (50%) and wholesale (50%) loans as of March 31, 2023. While the share of wholesale loans has reduced consistently over the past few years, the same remained high at Rs. 31,845 crore as of March 31, 2023 (Rs. 43,633 crore as of March 31, 2022). Further, ~20% of the wholesale loan book was classified under stage 2 and 3 as of March 31, 2023 (compared to ~28% as of December 31, 2022). While the company has provisions on the book (provision cover of ~10% as of March 31, 2023), these exposures remain vulnerable to slippages. Further, the early stage of development of some of the underlying projects increases the portfolio vulnerability. Moreover, the book concentration remains significant with the top group exposures (including stressed groups) forming a high proportion of the overall book and net worth, though there has been a reduction in the overall wholesale loan book and group exposures over the past few years.

ICRA notes the increase in the reported headline asset quality indicators in preceding quarters, even though there were no additional non-performing accounts from the net loans acquired from DHFL on an amalgamated basis. The gross stage 3% increased to 6.6% as of December 31, 2022 from 3.3% as of December 31, 2021, primarily due to certain lumpy slippages in the wholesale book. However, the same moderated to ~3% as of March 31, 2023 due to resolution strategies such as asset sale to ARC etc. In this regard, while asset resolutions/sales would remain a part of the strategy to drive improvement in the headline asset quality indicators going forward, the nature of any associated residual exposures/risks on the balance sheet will remain a monitorable. ICRA also notes that the company will need to demonstrate its track record in retail lending, given the rapid scale-up of the retail AUM, which has limited seasoning. Nonetheless, ICRA notes that the company has made provisions in recent quarters to create a cushion against portfolio vulnerability (total provision cover of ~6% of the total AUM as of March 2023).

**Profitability pressure; operating expenses to remain elevated owing to retail scale-up** – PEL's profitability has remained under pressure in the recent past owing to the increased vulnerability of the wholesale book necessitating higher provisioning and the scale-up in retail lending resulting in elevated operating expenses. In FY2023, PEL reported a consolidated pre-provisioning operating profit of Rs. 2,830 crore compared to Rs. 2,457 crore in FY2022, notwithstanding the improvement in interest margins during this period. Further, the company reported large provisions, write-offs and fair valuation adjustments of Rs. 5,179 crore in FY2023 (compared to Rs. 830 crore in FY2022), thereby resulting in a loss from core operations. Nonetheless, the operating loss was offset by a one-time DTL reversal of Rs. 3,978 crore (related to the DHFL transaction) and an exceptional gain of Rs. 8,066 crore on the pharma business demerger. Given the lumpy nature of the wholesale book and the limited seasoning of the retail book, the asset quality may have an impact on the earnings profile and this would be further exacerbated by the elevated operating expenses in the near term.

**Ability to raise funds at competitive rates from diverse sources** – ICRA takes note of the challenges in resource mobilisation faced by the company in the past and the management's efforts to diversify and elongate the liabilities profile. PEL raised ~Rs. 6,000-crore long-term debt (excluding Rs. 19,532 crore for the DHFL transaction) in FY2022 and Rs. 8,462 crore in FY2023, following the Rs. 13,500-crore long-term debt raised in FY2020 and ~Rs. 20,000 crore in FY2021 for its financial services business. While the merger with DHFL has led to greater diversification in the asset profile, PEL also witnessed elongation in the weighted average tenor of borrowings, an increase in the share of fixed rate borrowings and some moderation in the cost of funds since March 2020.

The resource profile is moderately diversified, although non-convertible debentures (NCDs) remain the primary source of funds accounting for 60% of the borrowings as of March 31, 2023, followed by bank loans at 27%, commercial paper (CP) at 7% and others at 6%. Going forward, PEL's ability to continue to raise funds at competitive rates from diverse sources would remain a monitorable, though it is noted that the high share of fixed rate borrowings (while the share of the variable rate loan book is high) is likely to limit the adverse impact of the rising systemic interest rate trajectory.



## Environmental and social risks

Given the service-oriented business of PEL, its direct exposure to environmental risks/physical climate risks is not material. While lending institutions can be exposed to environmental risks indirectly through their portfolio of assets, PEL's exposure to environmentally sensitive segments remains low. Hence, indirect transition risks arising from changes in regulations or policies concerning the underlying assets are not material.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for lending and investment banking institutions as material lapses could be detrimental to their reputation and could invite regulatory censure. PEL has not faced such lapses over the years and its disclosures outline the key policies, processes, and investments made by it to mitigate the occurrence of such instances. PEL also promotes financial inclusion by lending to the affordable housing segments.

## Liquidity position: Adequate

PEL's (consolidated) liquidity position remains adequate with its asset-liability maturity profile (as of March 31, 2023) characterised by positive cumulative mismatches across buckets up to 1 year. It had cash/bank balances and liquid investments of ~Rs. 7,430 crore as of March 31, 2023 (about 15% of borrowings outstanding) on a consolidated basis compared to debt repayment of ~Rs. 8,900 crore till September 2023. The inflows from the stake sale in Shriram Finance are likely to further support the liquidity position. Moreover, the company's track record of successfully raising capital and refinancing debt repayments also provide some comfort. ICRA notes that PEL endeavours to maintain on-balance sheet liquidity sufficient to cover repayments falling due in the ensuing 3 months.

## Rating sensitivities

**Positive factors** – ICRA could change the outlook to Positive or upgrade the long-term rating if there is an improvement in the diversification and granularity of the asset profile while maintaining healthy asset quality and profitability. The demonstrated scale-up and proven track record of new products in the retail segment while maintaining the asset quality will also remain imperative for an upward revision in the long-term rating.

**Negative factors** – ICRA could downgrade the ratings if there is a material deterioration in the asset quality, affecting the financial profile. The ratings could also be downgraded in case of any sustained challenges in raising long-term funds at competitive rates, resulting in a deterioration in the liquidity.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Rating Methodology for Non-banking Finance Companies</a> <a href="#">Rating Approach – Consolidation</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidation; To arrive at the ratings, ICRA has taken a consolidated view of the credit profiles of PEL and its wholly-owned subsidiary, i.e. PCHFL, together referred to as PEL or the company, as the companies have operational and business synergies in addition to a shared name and management oversight.

## About the company

Piramal Enterprises Limited (PEL) is a non-banking financial company (NBFC), which got registered with the Reserve Bank of India (RBI) w.e.f. July 22, 2022. It has a presence in retail lending, wholesale lending, and fund-based platforms, primarily through standalone operations and its wholly-owned subsidiary, i.e. Piramal Capital & Housing Finance Limited (PCHFL). The company's consolidated operations are backed by a network of about 404 branches across 26 states and Union Territories.

PEL received its NBFC licence as a part of a planned corporate restructuring exercise, whereby the pharma business was demerged from PEL [and housed under a separate listed entity – Piramal Pharma Limited (PPL)]. Further, PHL Fininvest Private Limited (PFPL), a wholly-owned subsidiary of PEL and the NBFC arm of the Group, was merged into PEL w.e.f. August 12, 2022.

PEL forayed into the financial services sector with PCHFL, a housing finance company (HFC) that provides both wholesale and retail finance across segments. PCHFL was earlier chosen as the successful resolution applicant by DHFL’s Committee of Creditors for the resolution of DHFL, an HFC catering to the low-and-middle-income borrower segment. As per the resolution plan approved by the National Company Law Tribunal (NCLT), DHFL’s existing liabilities were discharged by the erstwhile PCHFL and a consideration of Rs. 34,250 crore (comprising upfront cash of Rs. 14,700 crore and issuance of debt instruments of Rs. 19,550 crore) was paid to DHFL’s creditors. The erstwhile PCHFL was reverse merged with DHFL, with effect from September 30, 2021, and the amalgamated entity (DHFL) was rechristened Piramal Capital & Housing Finance Limited (PCHFL).

Within retail lending, through its multi-product platform, PEL offers home loans to customers in the affordable housing and budget segments, secured and unsecured lending to small businesses, pre-owned car loans, loans against securities, and unsecured finance constituting microfinance, digital purchase finance, salaried personal loans, etc. Within wholesale lending, the business provides financing to real estate developers as well as corporate clients in select sectors.

PEL has also formed strategic partnerships with leading financial institutions such as The Canada Pension Plan Investment Board (CPPIB), APG Asset Management and Ivanhoe Cambridge (CDPQ) across investment platforms. Piramal Alternatives, the fund management business, provides customised financing solutions to select corporates through Piramal Credit Fund, a performing, sector-agnostic credit fund with capital commitment from CDPQ, and IndiaRF, a distressed asset investing platform with Bain Capital Credit, which invests in equity and/or debt across non-real estate sectors. PEL also has a 50% stake in Pramerica Life Insurance (a joint venture with Prudential International Insurance Holdings) and equity investments in Shriram Group.

Prior to the said corporate restructuring, PEL had a presence in the financial services and pharmaceutical businesses. The Group’s financial services business was known as PEL FS and was housed under PCHFL and PFPL. Following the demerger, the erstwhile pharma business (valued at about Rs. 13,000 crore at the time of demerger) was moved to a separate listed entity – Piramal Pharma Limited (PPL).

### Key financial indicators

	FY2021 <sup>^</sup>		FY2022 <sup>*</sup>	FY2023
	PEL FS	PEL Consolidated (pre-DHFL transaction)	PEL Consolidated (post-DHFL transaction)	PEL Consolidated (post pharma demerger)
<b>Net worth</b>	18,073	34,018	30,120	31,059
<b>AUM</b>	48,891	NA	65,185	63,989
<b>Net debt</b>	32,531	NA	40,115 <sup>#</sup>	41,393 <sup>#</sup>
<b>Net gearing (times)</b>	1.8	~1.0	1.3	1.3
<b>Gross stage 3</b>	4.1%	NA	3.4%	3.2%
<b>Net stage 3</b>	2.1%	NA	1.6%	1.7%
<b>Solvency (Net stage 3/Net worth)</b>	2.9%	NA	3.3%	3.3%
<b>CRAR</b>	36%	NA	21%	31%

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore; <sup>^</sup>Audited; <sup>\*</sup>Restated numbers; <sup>#</sup>As per ICRA estimates (gross debt less cash & liquid investments)

### Status of non-cooperation with previous CRA: Not applicable

**Any other information:** The company also faces prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial covenants, operating covenants and rating-linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the ratings would face pressure.

### Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years						
		Type	Amount Rated (Rs. crore)	Amount Outstanding* (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022		Date & Rating in FY2021	
					Jul 05, 2023	Apr 28, 2023	Oct 12, 2022	Apr 29, 2022	Oct 14, 2021	Aug 13, 2021	Feb 03, 2021	Jul 27, 2020
1	NCD	LT	1,040	40	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA&	[ICRA]AA&	[ICRA]AA (Negative)	[ICRA]AA (Negative)
2	NCD	LT	4,000	Nil	[ICRA]AA (Stable)	-	-	-	-	-	-	-
3	Retail NCD	LT	3,000	Nil	[ICRA]AA (Stable)	-	-	-	-	-	-	-
4	NCD	LT	500	Nil	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-	-	-	-	-
5	Short-term debt	ST	1,500	1,500	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-	-	-	-	-
6	NCD	LT	-	-	-	-	[ICRA]AA (Stable); withdrawn	[ICRA]AA (Stable)	[ICRA]AA&	[ICRA]AA&	[ICRA]AA (Negative)	[ICRA]AA (Negative)
7	Long-term/short-term fund-based/non-fund based bank lines	LT/ST	1,000	Nil	[ICRA]AA (Stable) / [ICRA]A1+	[ICRA]AA (Stable) / [ICRA]A1+	[ICRA]AA (Stable) / [ICRA]A1+	-	-	-	-	-
8	Unallocated	LT/ST	-	-	-	-	-	[ICRA]AA (Stable) / [ICRA]A1+	[ICRA]AA& / [ICRA]A1+	[ICRA]AA& / [ICRA]A1+	-	-
9	Fund-based limits	LT/ST	-	-	-	-	-	-	-	[ICRA]AA& / [ICRA]A1+; Withdrawn	[ICRA]AA (Negative) / [ICRA] A1+	[ICRA]AA (Negative) / [ICRA]A1+
10	Term loans	LT	-	-	-	-	-	-	-	[ICRA]AA&; Withdrawn	[ICRA]AA (Negative)	[ICRA]AA (Negative)
11	Non-fund based limits	ST	-	-	-	-	-	-	-	[ICRA]A1+; Withdrawn	[ICRA]A1+	[ICRA]A1+
12	Fund-based limits	ST	-	-	-	-	-	-	-	[ICRA]A1+; Withdrawn	[ICRA]A1+	[ICRA]A1+
13	NCD instruments	LT	-	-	-	-	-	-	-	[ICRA]AA&; Withdrawn	[ICRA]AA (Negative)	[ICRA]AA (Negative)
14	Commercial paper	ST	-	-	-	-	-	-	-	-	-	[ICRA]A1+; Withdrawn
15	Principal protected market linked debentures	LT	-	-	-	-	-	-	-	-	-	PP-MLD [ICRA]AA (Negative); Withdrawn
16	Provisional principal protected market linked debentures	LT	-	-	-	-	-	-	-	-	-	Provisional PP-MLD [ICRA]AA (Negative); Withdrawn

& Rating on watch with developing implications; LT – long term; ST – short term; \*As on June 27, 2023

## Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD	Simple
Retail NCD	Simple
Long term/short term – Fund-based/non-fund based bank lines	Simple
Short-term debt	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE140A07179	NCD	Jul 14, 2016	9.75%	Jul 14, 2026	35	[ICRA]AA (Stable)
INE140A07211	NCD	Jul 19, 2016	9.75%	Jul 17, 2026	5	[ICRA]AA (Stable)
Not issued	NCD – proposed	NA	NA	NA	1,500	[ICRA]AA (Stable)
INE140A07716	Short-term debt	Nov 07, 2022	Linked to 3M MIBOR	Nov 06, 2023	1,000	[ICRA]A1+
INE140A07724	Short-term debt	Jan 31, 2023	Linked to 3M MIBOR	Jan 30, 2024	500	[ICRA]A1+
NA	NCD – proposed	NA	NA	NA	4,000	[ICRA]AA (Stable)
NA	Retail NCD – proposed	NA	NA	NA	3,000	[ICRA]AA (Stable)
NA	Long-term/short-term fund-based/non-fund based bank lines	NA	NA	NA	1,000	[ICRA]AA (Stable) / [ICRA]A1+

Source: PEL; ISIN details as on March 31, 2023

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

Company Name		Consolidation Approach
Piramal Enterprises Limited	Holding Company	Full Consolidation
Piramal International	Subsidiary	Full Consolidation
Piramal Holdings (Suisse) SA (until December 9, 2022)	Subsidiary	Full Consolidation
Piramal Dutch IM Holdco B.V.	Subsidiary	Full Consolidation
Piramal Capital & Housing Finance Limited	Subsidiary	Full Consolidation
DHFL Advisory and Investment Private Limited	Subsidiary	Full Consolidation
DHFL Holdings Limited	Subsidiary	Full Consolidation
DHFL Investments Limited	Subsidiary	Full Consolidation
DHFL Changing Lives Foundation	Subsidiary	Full Consolidation
PRL Agastya Private Limited (w.e.f. December 12, 2022)	Subsidiary	Full Consolidation
Piramal Fund Management Private Limited	Subsidiary	Full Consolidation
INDIAREIT Investment Management Co	Subsidiary	Full Consolidation
Piramal Asset Management Private Limited	Subsidiary	Full Consolidation
Piramal Alternatives Private Limited	Subsidiary	Full Consolidation
Piramal Investment Advisory Services Private Limited	Subsidiary	Full Consolidation
Piramal Investment Opportunities Fund	Subsidiary	Full Consolidation
Piramal Securities Limited	Subsidiary	Full Consolidation
Piramal Systems & Technologies Private Limited	Subsidiary	Full Consolidation
Piramal Technologies SA	Subsidiary	Full Consolidation
PEL Finhold Private Limited	Subsidiary	Full Consolidation
Piramal Consumer Products Private Limited	Subsidiary	Full Consolidation
Virdis Power Investment Managers Private Limited (w.e.f. October 17, 2020)	Subsidiary	Full Consolidation
Virdis Infrastructure Investment Managers Private Ltd. (w.e.f. October 22, 2020)	Subsidiary	Full Consolidation

<b>Company Name</b>		<b>Consolidation Approach</b>
<b>Piramal Finance Sales &amp; Services Pvt. Ltd.</b>	Subsidiary	Full Consolidation
<b>Piramal Payment Services Limited (w.e.f. 29 April 2022)</b>	Subsidiary	Full Consolidation
<b>Piramal Alternatives Trust</b>	Subsidiary	Full Consolidation
<b>Pramerica Life Insurance Limited</b>	Joint Venture	Full Consolidation
<b>India Resurgence ARC Private Limited</b>	Joint Venture	Full Consolidation
<b>India Resurgence Asset Management Business Private Limited</b>	Joint Venture	Full Consolidation
<b>India Resurgence Fund - Scheme 2</b>	Joint Venture	Full Consolidation
<b>Piramal Structured Credit Opportunities Fund</b>	Joint Venture	Full Consolidation
<b>Asset Resurgence Mauritius Manager</b>	Joint Venture	Full Consolidation
<b>Shrilekha Business Consultancy Private Limited (Until November 9, 2022)</b>	Joint Venture	Full Consolidation
<b>DHFL Ventures Trustee Company Private Limited</b>	Joint Venture	Full Consolidation
<b>Shriram Capital Limited (Until November 9, 2022)</b>	Joint Venture	Full Consolidation

Source: Company; As of December 31, 2022



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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



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### Branches



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**Shri Lalit Ostwal**  
**Head – Treasury**  
**Piramal Enterprises Limited**  
Piramal Tower,  
Ganpatrao Kadam Marg,  
Lower Parel, Mumbai,  
Maharashtra 400013.



August 01, 2023

**Confidential**

Dear Sir,

**Credit rating for proposed Public Non-Convertible Debenture issue**

Please refer to your request for rating of proposed Non-Convertible Debenture of aggregating Rs.3,000 crore of your Company.

2. The following rating have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
1.	<b>Non-Convertible Debentures - Public Issue</b>	<b>3,000.00</b>	<b>CARE AA; Stable (Double A; Outlook: Stable)</b>	<b>Assigned</b>
	<b>Total Instruments</b>	<b>3,000.00 (Rs. Three Thousand Crore Only)</b>		

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six month from the date of our initial communication of rating to you (that is July 28, 2023).
4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications.

CARE Ratings Limited

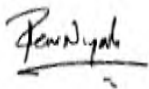
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6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which will be shared with you separately.
8. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
10. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
11. Users of this rating may kindly refer our website [www.careedge.in](http://www.careedge.in) for latest update on the outstanding rating.
12. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

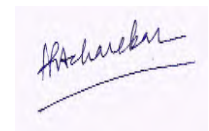
If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

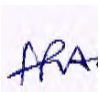


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Encl.: As above



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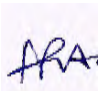
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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.



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CIN-L67190MH1993PLC071691

## Piramal Enterprises Limited (Revised)

August 3, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Non-convertible debentures (Public NCD) (proposed)	3,000.00	CARE AA; Stable	Assigned
Non-convertible debentures	4,000.00	CARE AA; Stable	Assigned
Long-term / Short-term bank facilities	3,000.00	CARE AA; Stable / CARE A1+	Reaffirmed
Market linked debentures	898.00 (Reduced from 1,000.00)	CARE PP-MLD AA; Stable	Reaffirmed
Market linked debentures	1,000.00	CARE PP-MLD AA; Stable	Reaffirmed
Market linked debentures	1,000.00	CARE PP-MLD AA; Stable	Reaffirmed
Non-convertible debentures	100.00	CARE AA; Stable	Reaffirmed
Non-convertible debentures	200.00 (Reduced from 250.00)	CARE AA; Stable	Reaffirmed
Non-convertible debentures	334.00	CARE AA; Stable	Reaffirmed
Non-convertible debentures	460.00 (Reduced from 2,210.00)	CARE AA; Stable	Reaffirmed
Non-convertible debentures	-	-	Withdrawn
Commercial paper	5,000.00	CARE A1+	Reaffirmed
Commercial paper	1,000.00	CARE A1+	Reaffirmed
Short-term- Short-term instruments	250.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The reaffirmation of the ratings assigned to the various debt instruments and bank facilities of Piramal Enterprises Limited (PEL) continues to factor in the long track record of the Piramal group, moderate leverage supported by comfortable capitalisation levels with a consolidated tangible net worth (TNW) of ₹31,059 crore (as on March 31, 2023), and demonstrated financial flexibility through fund raising through diversified sources, the latest being from the stake sale in Shriram Finance Ltd during Q1FY23 for ₹4,820 crore which has bolstered its liquidity.

The ratings also take note of the group's plan to bring in more granularity to the loan book by focusing on the retail segment which would comprise diversified products apart from home loans while undertaking reduction of the legacy wholesale book (wholesale 1.0) largely comprising real estate. During FY23, the proportion of retail loan book increased and stood at 50% as on March 31, 2023 (PY: 33%).

The ratings remain constrained on account of sector concentration within Wholesale 1.0 which is dominated by real estate loans having large ticket-size, of which, a significant proportion is still under moratorium as on March 31, 2023. The concentration of top exposures continues to be sizeable and has not reduced materially over the past 3 years despite overall real estate exposure coming down significantly. The real estate portfolio remains susceptible to asset quality shocks due to higher concentration.

The asset quality parameters have seen moderation during FY23 as PEL recognised stress emanating from the wholesale 1.0 portfolio and classified significant proportion of assets from Stage 1 to Stage 2 and Stage 3. GS3 stood at 3.76% as on March 31, 2023, as against 3.40% as on March 31, 2022. The profitability has been impacted due to one-time incremental provisioning and higher operational cost due to retail expansion. PEL had provisioning of 6.2% of overall asset under management (AUM) and 10.5% on wholesale AUM (34% on Stage 2 and 3) as on March 31, 2023, which provides comfort against future asset quality shocks.

The scale-up of the retail lending franchise and reducing the legacy wholesale portfolio while maintaining asset quality and capitalisation, improvement in profitability with stabilisation of credit cost and the ability of PEL to raise funds from diverse sources at competitive rates are the key rating monitorable.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications



## Rating sensitivities: Factors likely to lead to rating actions

### Positive factors – Factors that could lead to positive rating action/upgrade :

- Substantial reduction in exposure to the real estate segment in overall loan book/AUM.
- Sizeable reduction in concentration of group exposure in the wholesale lending book with increase in granularity on a sustained basis.
- Significant improvement in the asset quality and profitability.

### Negative factors – Factors that could lead to negative rating action/downgrade:

- Inability to reduce the exposure to real estate loans in the loan book on a sustained basis.
- Mismatch in asset liability maturities and challenges in raising long-term funding at competitive rates.
- Deterioration in asset quality with net non-performing asset (NNPA)/ net worth of over 10%.
- Increase in the overall gearing beyond 3.5x.

### Analytical approach:

CARE Ratings Limited (CARE Ratings) has taken a consolidated view of PEL

### Outlook: Stable

The "stable" outlook factors in the continuation of diversification and granularisation of overall portfolio and limited impact on the net worth base and capitalisation levels despite higher credit costs and moderation in profitability. CARE Ratings expects improvement in the financial performance post recognition of stress in wholesale portfolio and improvement in overall asset quality profile.

### Detailed description of the key rating drivers:

#### Key strengths

##### Comfortable capitalisation and gearing levels

Over the last four years, the Piramal group has raised a significant amount of equity capital which has significantly scaled up the consolidated net worth of PEL. During FY20 and FY21, PEL raised nearly ₹18,173 crore of capital through multiple channels including sale of 10% stake in Shriram Transport Finance Company Ltd (₹2,300 crore in June 2019), rights issue of equity shares (₹3,650 crore including promoter investment of ₹1,600 crore in January 2020), preferential allotment of equity shares to Caisse de dépôt et placement du Québec (CDPQ) (₹1,750 crore in December 2019), sale of its DRG business (₹6,750 crore in February 2020) and stake dilution by 20% in Piramal Pharma Limited (PPL; to which the pharmaceuticals business of the group was transferred in FY23) to the Carlyle group (₹3,523 crore in October 2020), which were used to deleverage the balance sheet and provide capital for its financial services business. During FY23, the group demerged its pharmaceutical (pharma) business from PEL and PEL got converted into a non-banking finance company (NBFC) post receiving the license from RBI on July 21, 2022, and a majority of the net worth has been retained in PEL for financial services business post the restructuring of business.

PEL has a consolidated net worth of ₹31,059 crore as on March 31, 2023, with an overall gearing of 1.6x (March 31, 2022: 1.8x) and capital adequacy ratio (CAR) of 31% (March 31, 2022: 21%). The net worth other than lending is deployed towards other assets like alternatives (₹1,126 crore), insurance & others (₹1,235 crore) and Shriram investments (₹6,211 crore). PEL has strong fund-raising capability as demonstrated by multiple equity raise in the past. PEL sold its entire 8.3% stake in Shriram Finance Ltd during June 2023 for a consideration of ₹4,820 crore which has supported the resource and liquidity profile of the company. The stakes in other unlisted Shriram Group companies, valued at approximately ₹2,400 crore at the time of business restructuring, continues to be held by PEL.

PCHFL on a standalone basis reported CAR of 26.80% (March 31, 2022: 22.01%) with Tier-I CAR of 25.90% (March 31, 2022: 21.11%) as on March 31, 2023, whereas PEL's standalone CAR was at 43.63% as on March 31, 2023. High proportion of net worth provides the company with strong cushion to absorb any unforeseen shock in terms of deterioration in asset quality. As the company plans to reduce its wholesale 1.0 lending book and scale up its retail business, it is expected to see an increase in the gearing levels. CARE Ratings expects the consolidated gearing to remain under 3x over the medium term.

**Strong and resourceful promoters along with experienced management team**

PEL is the holding company of the Piramal Group headed by the Chairman, Ajay Piramal. The promoter group has presence in diversified businesses like financial services through PEL, pharma (CDMO, Critical Care, OTC) through Piramal Pharma Ltd (PPL), and real estate development and consulting (through a separate company). The Board of Directors of PEL comprises eminent individuals from the industry providing their experience and governance to the group. The senior management team comprises of professionals heading various verticals with adequate and relevant experience in their respective fields. The group has experience of lending in the real estate industry for over a decade, and forayed into mortgage lending around five years back. The focus of the group has now shifted towards building the retail portfolio and rebuild the wholesale portfolio going forward. Jairam Sridharan is the Managing Director (MD of PCHFL), heading its retail finance business which is expected to scale up in the medium term. He has over two decades of retail domain experience and specialises in setting up and scaling new businesses. Yesh Nadkarni is responsible for rebuilding a wholesale portfolio while reducing the old one. The group is in the process of building teams, systems and processes as it undertakes retail book expansion post-acquisition of DHFL.

**Increase in retail lending in AUM mix**

PEL has been focusing on increasing the proportion of retail lending portfolio and acquisition of DHFL during FY23, helped it to acquire a sizeable retail lending book (largely affordable housing). PEL has been diversifying its retail book by launching new products, such as unsecured loans, small and medium enterprises (SME) credit, used vehicle financing, personal loans, etc. and have made partnerships with fintech and consumer tech firms to grow its retail financing business.

The AUM as on March 31, 2023 stood at ₹63,989 crore as against ₹65,185 crore as on March 31, 2022. The wholesale lending portfolio has decreased from ₹39,532 crore constituting 89% of total AUM as on March 31, 2021 to ₹31,845 crore constituting 50% of total AUM as on March 31, 2023. The proportion of retail lending portfolio increased to 33% of AUM as on September 30, 2021 post acquisition of DHFL and has increased to 50% of AUM as on March 31, 2023, as the company has increased disbursements in retail and resolved part of wholesale portfolio.

Housing loans continue to be the major proportion at 26% of the total AUM (largely on the books of PCHFL), followed by secured MSME lending at 11% and unsecured loans contributing 9% as on March 31, 2023 with the proportion of other newly launched products remaining relatively small.

PEL is also expanding geographically by opening new branches to the already existing branches acquired from DHFL. The retail portfolio is gaining traction as the disbursements have improved quarter-on-quarter post-acquisition of DHFL and has exceeded the run-off rate of the legacy DHFL retail loan book. The reduction of wholesale loans, especially real estate, also helped improve the AUM mix favourably.

The company is working on plans for reducing the proportion of its wholesale (largely older real estate) portfolio by way of exiting (wholesale 1.0) and building a new relatively granular wholesale portfolio (wholesale 2.0). The company has plans to increase the retail proportion to over two-thirds of AUM by FY27.

**Key weaknesses****Concentration risk with sizeable amount of wholesale loan portfolio continuing**

The lending portfolio of PEL in the past has predominantly been wholesale with high concentration on the real estate segment. The group is changing the AUM mix by increasing share of the retail book and reduction of wholesale book has helped reduce the wholesale proportion from 89% of AUM as on March 31, 2021 to 50% as on March 31, 2023 (March 31, 2022: 67%). The wholesale segment continues to be dominated by real estate exposures and a small proportion is contributed by corporate loans named as Emerging Corporate Lending (ECL), Corporate Finance Group (CFG) and Corporate Mid-Market Lending (CMML). Within the wholesale segment, the management is trying to reduce the legacy wholesale book (Wholesale 1.0) largely consisting of real estate portfolio (remaining is ECL and CMML) by refinancing and resolution of stressed assets especially the larger chunkier group exposures, the progress is slow as there has been few takers for large exposures. Furthermore, these exposures have not reduced materially over the past few years as many large projects continue to be under moratorium.

Top group exposures continue to remain high on absolute basis and is expected to take longer time to have it meaningfully reduced in the medium term. Top 20 group exposures constituted 23% of the total AUM as on March 31, 2023, as against 30% as on March 31, 2022. The management is building a new granular real estate portfolio

with smaller ticket sizes targeting large and medium developers and a new corporate book (Wholesale 2.0) which are cashflow backed and have better capitalisation. Loans under Wholesale 2.0 would be extended to cashflow generating operating companies and not lending at holding company level. CARE Ratings continues to monitor PEL's ability to reduce the wholesale 1.0 book over near term.

#### **Moderate asset quality of wholesale and unseasoned retail book**

The Gross Stage 3 assets on entire loan book stood at 3.8% (3.2% on AUM) as on March 31, 2023, as compared with 3.4% (3.4% on AUM) as on March 31, 2022. The total provisions marginally improved to 6.2% of AUM as on March 31, 2023 vs 5.7% for the previous year. The asset quality of the retail segment continues to be comparatively better with lower delinquencies than wholesale. However, as the retail book had witnessed rapid growth in the recent past, the incremental book is largely unseasoned and its performance needs to be monitored over the medium term.

The asset quality parameters of PEL's wholesale book witnessed significant deterioration during FY23 as PEL classified an identified pool of stressed real estate exposures (non-DHFL) amounting to ₹5,888 crore including some corporate exposures from Stage 1 to Stage 2 and Stage 3, which resulted in deterioration of the asset quality ratios and increased provisions resulting in the PEL incurring losses.

The wholesale AUM reduced significantly during Q3FY23 and Q4FY23 as PEL wrote off stressed assets and undertook its sale through asset reconstruction companies (ARC) and others. The wholesale Gross Stage 2 and Stage 3 assets represented 20% of wholesale AUM as on March 31, 2023, and provisions cover 34% of Gross Stage 2 and Stage 3 assets. Although, as per the management, the recognition of stress in the wholesale portfolio is largely over with adequate provisioning on the same, the focus is more on resolution of the stress portfolio. CARE Ratings would continue to monitor the asset quality and resolution of wholesale portfolio and incremental slippages from Stage 1.

The management has indicated that the stressed assets in the wholesale book have been largely recognised and staging is done and does not envisage any large slippages over the medium term. Furthermore, the company held provision coverage ratio of 6% as on March 31, 2023, which provides comfort.

However, the ability of the company to maintain healthy asset quality of its retail book and wholesale book (especially the Wholesale 1.0 which is being scaled down) as it scales going forward would remain a monitorable.

#### **Modest profitability due to high operating expense and credit cost**

The interest income saw a modest increase of 4% Y-o-Y to ₹7,799 crore in FY23, primarily driven by an increase in performing AUM, was largely offset by a decline in yields (amid ongoing reduction of the wholesale loan book and a shift in the loan book mix towards retail). The yield on AUM fell from 12.9% for FY22 to 12% for FY23. The change is due to increase in the retail proportion having lower yields with simultaneous reduction of wholesale along with increase in non-yielding assets. The interest expenses for FY23 decreased by 6% y-o-y to ₹4,041 crore from ₹4,282 crore in FY22 due to lower borrowings during the year as the company saw decline in the AUM through reduction in wholesale book. The average cost of borrowings for PEL reduced from 9.6% for FY22 to 8.6% for FY23. However, going forward, the cost of borrowing may increase slightly during Q1FY24/H1FY24 because incremental borrowings are at a higher cost. The net interest income (calculated as 'Interest Income – Finance Cost') increased 15% YoY to ₹3,804 crore, amidst a shift in the loan book mix towards retail, interest reversal, and the impact of negative carry due to excess cash held on the balance sheet. The yields may move in upward trajectory to commensurate with the cost of borrowings and therefore the net interest margin (NIM) is expected to be stable.

The operating expenses (including fee and commission expenses) increased 84% y-o-y primarily due to full year impact of DHFL acquisition and expenses associated with expansion of the cost intensive retail lending branches from 309 branches as of FY22 to 404 branches as of FY23. Investments in building retail infrastructure like increase in branch network and employee headcount have led to increase in the operating expenses. With increase in book size, economies of scale will help taper this over time. The company is looking to add 500-600 branches taking the total to 1,000 locations. The overall provisions and fair value increased to ₹5,179 from ₹830 crore in FY22. The increase was primarily driven by resolution of legacy wholesale book, i.e., Wholesale 1.0. During Q2FY23, the company made significant provisions and write-offs as it classified certain large wholesale accounts from Stage 1 to Stage 2 (of ₹5,888 crore). Net profit after tax (excluding profit from discontinued operations) for FY23 stood at

₹9,969 crore as compared with ₹1,662 crore in FY22 due to exceptional gain of ₹8,066 crore in FY23 pertaining to demerger-related transaction and a one-time DTL reversal of ₹3,978 crore (related to the DHFL transaction).

#### **Ability to raise funds at competitive rates**

Majority of the borrowings of PEL are in the form of non-convertible debentures (NCD) instruments and the largest category of lenders are banks as on March 31, 2023, due to issues of NCDs to the lenders in satisfaction of their claims during DHFL acquisition. These NCDs helped PEL reduce its cost of borrowings, elongate the weighted average tenor of borrowings in addition to increasing the proportion of fixed rate of borrowing. Around 59% of its borrowings are on fixed rate, whereas only 32% of its assets are on fixed rate as on March 31, 2023. However, PEL is currently relying more on bank borrowings than capital markets instruments for its incremental funding requirements. The weighted average maturity profile of borrowings in PEL is 3.1 years as on March 31, 2023, which is lower than the wholesale loans it funds which has a term of 3 to 5 years and housing loans with tenors ranging over 10 years. PEL has, in the past, refinanced its debt and lowered its average borrowing cost but its average borrowing cost is still higher than similar rated NBFCs. PEL had liquidity of ₹7,430 crore as on March 31, 2023, which is around 15% of the total debt and scheduled collections from the loan portfolio and provides additional comfort. The ability of PEL to raise long-term funds at competitive rates from varied sources to fund its incremental loan book as well as repay its debt is a key rating sensitivity.

#### **Liquidity: Adequate**

PEL had liquidity of ₹7,430 crore as on March 31, 2023, which is around 15% of the total debt and scheduled collections from the loan portfolio and provides additional comfort. Shriram stake sale in Q1FY24 also bolstered the liquidity.

LCR for PEL and PCHFL on a standalone basis stood at 486% and 119%, respectively, as on March 31, 2023, over the regulatory requirements.

#### **Environment, social, and governance (ESG) risks**

- Climate strategies and emissions management.
- Adoption of the 5R waste hierarchy to manage resources including paper and e-waste, promoting responsible usage and disposal.
- Installation of sensor-based taps in corporate office washrooms and monitoring consumption to identify areas for improvement.
- Gender-neutral leave policy for primary caregivers, as well as a 'Parental Support Scheme' applicable to all employees.
- Introduction of second innings initiative which aims to reintroduce experienced female workers to the organisation who have previously taken a sabbatical from their professions.
- By leveraging different perspectives, experience, expertise, gender, and culture, the Board aims to maintain the company's competitive advantage and establish itself as a leading entity. PEL has a Board gender diversity of 36%.

#### **Applicable criteria**

[Policy on default recognition](#)

[Consolidation](#)

[Factoring Linkages Parent Sub JV Group](#)

[Financial Ratios - Financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Housing Finance Companies](#)

[Market Linked Notes](#)

[Non Banking Financial Companies](#)

[Policy on Withdrawal of Ratings](#)

#### **About the company and industry**

#### **Industry classification**

Macro-Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Non-Banking Finance Company (NBFC)

Incorporated in April 1947, Piramal Enterprises Limited (PEL) is a systemically important non-deposit taking non-banking financial company (NBFC), which got registered with the Reserve Bank of India (RBI) w.e.f. July 22, 2022. Under the scale-based regulations of the RBI, PEL is classified as NBFC – Middle Layer. PEL along with its 100% subsidiary, PCHFL (Piramal Capital & Housing Finance Limited) collectively called the group has presence across retail lending, wholesale lending, and fund-based platforms with a network of over 400 branches across 26 states/UTs. The group provides end-to-end financing solutions in both wholesale and retail funding opportunities across sectors, such as real estate and infrastructure, renewable energy, hospitality, logistics, industrials and auto components.

Within retail lending, through its multi-product platform, the group offers home loans (through PCHFL), loans for small businesses and loans for working capital to customers in affordable housing and mass affluent segments across tier-I, tier-II, and tier-III cities. Within wholesale lending, the business provides financing to real estate developers, as well as corporate clients in select sectors.

#### PEL Consolidated Financials

Brief Financials (₹ crore)	31-03-2021 (A)	31-03-2022 (A)	31-03-2023 (A)
Total income	-	7,911	9,087
PAT	-	1,221	1,514
Total assets	-	99,873	83,752
Net NPA (%)	-	1.60	1.93
ROTA (%)	-	-	10.86

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

#### PEL Standalone Financials

Brief Financials (₹ crore)	31-03-2021 (A)	31-03-2022 (A)	31-03-2023 (A)
Total income	-	2,396	4,796
PAT	-	964	14,333*
Total assets	-	33,331	33,104
Net NPA (%)	-	-	2.27^
ROTA (%)	-	-	43.15

\*Includes an exceptional gain of ₹11,912 crore on account of revaluation of Pharma assets before demerger

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

^As per NBFC Regulatory Disclosures

#### PCHFL Standalone Financials

Brief Financials (₹ crore)	31-03-2021 (A)	31-03-2022 (A)	31-03-2023 (A)
Total income	5,088	6,105	6,650
PAT	1,034	526	-7,425
Total assets	42,357	79,702	61,748
Net NPA (%)	1.84	1.16	1.87
ROTA (%)	2.50	0.94	-11.32

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based – LT/ST-Term loan	-	-	-	31-Mar-26	3,000.00	CARE AA; Stable / CARE A1+
Non-convertible debentures	INE140A07179	14-Jul-16	9.75%	14-Jul-26	35.00	CARE AA; Stable
Non-convertible debentures	INE140A07211	19-Jul-16	9.75%	17-Jul-26	5.00	CARE AA; Stable
Non-convertible debentures	INE140A07591	21-May-20	8.55%	19-May-23	-	Withdrawn
Non-convertible debentures	INE140A07732	10-Mar-23	8.75%	29-May-26	100.00	CARE AA; Stable
Non-convertible debentures	INE02LM07055	15-Dec-20	10.25%	30-Dec-22	-	Withdrawn
Non-convertible debentures	INE02LM07063	29-Jan-21	10.25%	30-Dec-22	-	Withdrawn
Non-convertible debentures	Proposed	-	-	-	4,954.00	CARE AA; Stable
Non-convertible debentures - Public	Proposed	-	-	-	3,000.00	CARE AA; Stable
Market-linked debentures	INE140A07641	12-Jul-21	8.15%	12-Jan-23	-	Withdrawn
Market-linked debentures	INE140A07633	28-Jun-21	8.25%	28-Jun-23	365.00	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07633	05-Jul-21	8.25%	28-Jun-23	125.00	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07658	27-Sep-21	8.00%	27-Mar-24	400.00	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07666	02-Mar-22	8.00%	02-Sep-24	125.00	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07666	28-Mar-22	8.00%	02-Sep-24	175.00	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07674	04-May-22	8.00%	04-Nov-24	100.00	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07682	24-May-22	8.00%	24-May-24	100.00	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07682	15-Jul-22	8.00%	24-May-24	70.00	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07682	02-Aug-22	8.00%	24-May-24	75.00	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07690	20-Sep-22	8.00%	20-Sep-24	215.00	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07708	23-Sep-22	8.10%	23-May-25	50.30	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07708	09-Nov-22	8.10%	23-May-25	50.50	CARE PP-MLD AA; Stable
Market-linked debentures	INE140A07682	01-Dec-22	8.00%	24-May-24	100.00	CARE PP-MLD AA; Stable
Market-linked debentures	Proposed	-	-	-	947.20	CARE PP-MLD AA; Stable
Inter-corporate deposit	Proposed	-	-	Upto 365 days	250.00	CARE A1+
Commercial paper	Proposed	-	-	7-365 days	3,820.75	CARE A1+
Commercial paper	INE140A14W91	12-Oct-22	7.80%	12-Oct-23	25.00	CARE A1+
Commercial paper	INE140A14X90	16-Dec-22	8.40%	31-Jul-23	10.00	CARE A1+
Commercial paper	INE140A14Y08	19-Dec-22	8.60%	15-Sep-23	200.00	CARE A1+
Commercial paper	INE140A14Y32	03-Jan-23	9.00%	01-Dec-23	150.00	CARE A1+
Commercial paper	INE140A14Y32	03-Jan-23	9.00%	01-Dec-23	50.00	CARE A1+
Commercial paper	INE140A14Y40	09-Jan-23	9.00%	29-Dec-23	200.00	CARE A1+



Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Commercial paper	INE140A14Y57	09-Jan-23	9.00%	08-Jan-24	200.00	CARE A1+
Commercial paper	INE140A14X90	24-Jan-23	8.50%	31-Jul-23	25.00	CARE A1+
Commercial paper	INE140A14Y73	31-Jan-23	8.75%	26-Oct-23	150.00	CARE A1+
Commercial paper	INE140A14Y81	01-Feb-23	8.75%	27-Oct-23	150.00	CARE A1+
Commercial paper	INE140A14Z23	10-Feb-23	8.50%	09-Aug-23	10.00	CARE A1+
Commercial paper	INE140A14Z72	27-Feb-23	8.90%	20-Sep-23	150.00	CARE A1+
Commercial paper	INE140A140A7	10-Mar-23	9.05%	07-Mar-24	34.00	CARE A1+
Commercial paper	INE140A14Z72	28-Mar-23	8.90%	20-Sep-23	20.00	CARE A1+
Commercial paper	INE140A140F6	31-Mar-23	8.90%	26-Sep-23	100.00	CARE A1+
Commercial paper	INE140A140G4	06-Apr-23	8.80%	03-Oct-23	50.00	CARE A1+
Commercial paper	INE140A140H2	12-Apr-23	8.50%	11-Jul-23	255.25	CARE A1+
Commercial paper	INE140A140I0	13-Apr-23	8.90%	28-Mar-24	10.00	CARE A1+
Commercial paper	INE140A140J8	18-Apr-23	9.00%	15-Jan-24	5.00	CARE A1+
Commercial paper	INE140A140L4	24-Apr-23	8.70%	20-Oct-23	26.00	CARE A1+
Commercial paper	INE140A140M2	02-May-23	8.40%	01-Aug-23	5.00	CARE A1+
Commercial paper	INE140A140M2	02-May-23	8.40%	01-Aug-23	5.00	CARE A1+
Commercial paper	INE140A140M2	03-May-23	8.40%	01-Aug-23	20.00	CARE A1+
Commercial paper	INE140A140M2	03-May-23	8.40%	01-Aug-23	3.00	CARE A1+
Commercial paper	INE140A14Y81	03-May-23	8.60%	27-Oct-23	10.00	CARE A1+
Commercial paper	INE140A140N0	09-May-23	8.70%	02-Feb-24	5.00	CARE A1+
Commercial paper	INE140A140O8	11-May-23	8.60%	07-Nov-23	15.00	CARE A1+
Commercial paper	INE140A14Z23	12-May-23	8.35%	09-Aug-23	20.00	CARE A1+
Commercial paper	INE140A140P5	16-May-23	8.40%	14-Sep-23	40.00	CARE A1+
Commercial paper	INE140A140R1	26-May-23	8.60%	22-Nov-23	6.00	CARE A1+
Commercial paper	INE140A140S9	29-May-23	8.30%	28-Aug-23	10.00	CARE A1+
Commercial paper	INE140A140S9	01-Jun-23	8.30%	28-Aug-23	10.00	CARE A1+
Commercial paper	INE140A140T7	09-Jun-23	8.30%	07-Sep-23	25.00	CARE A1+
Commercial paper	INE140A140U5	19-Jun-23	8.30%	14-Sep-23	125.00	CARE A1+
Commercial paper	INE140A140V3	22-Jun-23	8.70%	20-Mar-24	5.00	CARE A1+
Commercial paper	INE140A140W1	27-Jun-23	8.50%	24-Jan-24	25.00	CARE A1+
Commercial paper	INE140A140X9	30-Jun-23	8.45%	14-Dec-23	30.00	CARE A1+

\*Details of Instruments as on June 30, 2023

### Annexure-2: Rating history of last three years

	Current Ratings	Rating History
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Sr. No.	Name of the Instrument/Bank Facilities	Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Debentures-Non Convertible Debentures	-	-	-				
2	Debentures-Non Convertible Debentures	LT	100.00	CARE AA; Stable	-	1)CARE AA; Stable (20-Dec-22) 2)CARE AA; Stable (08-Jul-22) 3)CARE AA (CW with Developing Implications) (06-Apr-22)	1)CARE AA (CW with Developing Implications) (11-Oct-21)	1)CARE AA (CW with Developing Implications) (31-Mar-21) 2)CARE AA (CW with Developing Implications) (28-Jan-21) 3)CARE AA; Stable (30-Dec-20)
3	Commercial Paper-Commercial Paper (Standalone)	ST	5000.00	CARE A1+	-	1)CARE A1+ (20-Dec-22) 2)CARE A1+ (08-Jul-22) 3)CARE A1+ (06-Apr-22)	1)CARE A1+ (11-Oct-21)	1)CARE A1+ (31-Mar-21) 2)CARE A1+ (28-Jan-21) 3)CARE A1+ (30-Dec-20) 4)CARE A1+ (28-Apr-20)
4	Fund-based - LT/ST-Term loan	LT/ST*	2000.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (20-Dec-22) 2)CARE AA; Stable (08-Jul-22) 3)CARE AA (CW with Developing Implications) (06-Apr-22)	1)CARE AA (CW with Developing Implications) (11-Oct-21)	1)CARE AA (CW with Developing Implications) (31-Mar-21) 2)CARE AA (CW with Developing Implications) (28-Jan-21) 3)CARE AA; Stable (30-Dec-20)
5	Inter Corporate Deposit	ST	250.00	CARE A1+	-	1)CARE A1+ (20-Dec-22) 2)CARE A1+ (08-Jul-22)	1)CARE A1+ (11-Oct-21)	1)CARE A1+ (31-Mar-21) 2)CARE A1+ (28-Jan-21)

						3)CARE A1+ (06-Apr-22)		3)CARE A1+ (30-Dec-20)
6	Commercial Paper- Commercial Paper (Standalone)	ST	1000.00	CARE A1+	-	1)CARE A1+ (20-Dec-22) 2)CARE A1+ (08-Jul-22) 3)CARE A1+ (06-Apr-22)	1)CARE A1+ (11-Oct-21)	1)CARE A1+ (31-Mar-21) 2)CARE A1+ (28-Jan-21) 3)CARE A1+ (30-Dec-20) 4)CARE A1+ (28-Apr-20)
7	Non-fund-based - ST-BG/LC	ST	-	-	-	-	-	1)Withdrawn (30-Dec-20)
8	Fund-based - LT/ ST-Term loan	LT/ST*	1000.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (20-Dec-22) 2)CARE A1+ (08-Jul-22) 3)CARE A1+ (06-Apr-22)	1)CARE A1+ (11-Oct-21)	1)CARE A1+ (31-Mar-21) 2)CARE A1+ (28-Jan-21) 3)CARE A1+ (30-Dec-20)
9	Debentures-Non Convertible Debentures	ST	-	-	-	1)Withdrawn (08-Jul-22) 2)CARE A1+ (06-Apr-22)	1)CARE A1+ (11-Oct-21)	1)CARE A1+ (31-Mar-21) 2)CARE A1+ (28-Jan-21) 3)CARE A1+ (30-Dec-20)
10	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AA; Stable (20-Dec-22) 2)CARE AA; Stable (08-Jul-22) 3)CARE AA (CW with Developing Implications) (06-Apr-22)	1)CARE AA (CW with Developing Implications) (11-Oct-21)	1)CARE AA (CW with Developing Implications) (31-Mar-21) 2)CARE AA (CW with Developing Implications) (28-Jan-21) 3)CARE AA; Stable (30-Dec-20)
11	Debentures-Non Convertible Debentures	LT	200.00	CARE AA; Stable	-	1)CARE AA; Stable (20-Dec-22) 2)CARE AA; Stable (08-Jul-22)	1)CARE AA (CW with Developing Implications) (11-Oct-21)	1)CARE AA (CW with Developing Implications) (31-Mar-21)

						3)CARE AA (CW with Developing Implications) (06-Apr-22)		2)CARE AA (CW with Developing Implications) (28-Jan-21) 3)CARE AA; Stable (30-Dec-20)
12	Debentures-Non Convertible Debentures	LT	334.00	CARE AA; Stable	-	1)CARE AA; Stable (20-Dec-22) 2)CARE AA; Stable (08-Jul-22) 3)CARE AA (CW with Developing Implications) (06-Apr-22)	1)CARE AA (CW with Developing Implications) (11-Oct-21)	1)CARE AA (CW with Developing Implications) (31-Mar-21) 2)CARE AA (CW with Developing Implications) (28-Jan-21) 3)CARE AA; Stable (30-Dec-20) 4)CARE AA; Stable (24-Apr-20)
13	Debentures-Market Linked Debentures	LT	898.00	CARE PP-MLD AA; Stable	-	1)CARE PP-MLD AA; Stable (20-Dec-22) 2)CARE PP-MLD AA; Stable (08-Jul-22) 3)CARE PP-MLD AA (CW with Developing Implications) (06-Apr-22)	1)CARE PP-MLD AA (CW with Developing Implications) (11-Oct-21) 2)CARE PP-MLD AA (CW with Developing Implications) (17-Jun-21)	-
14	Debentures-Market Linked Debentures	LT	1000.00	CARE PP-MLD AA; Stable	-	1)CARE PP-MLD AA; Stable (20-Dec-22) 2)CARE PP-MLD AA; Stable (08-Jul-22) 3)CARE PP-MLD AA (CW with Developing Implications)	1)CARE PP-MLD AA (CW with Developing Implications) (11-Oct-21)	-

						(06-Apr-22)		
15	Debentures-Market Linked Debentures	LT	1000.00	CARE PP-MLD AA; Stable	-	1)CARE PP-MLD AA; Stable (20-Dec-22) 2)CARE PP-MLD AA; Stable (08-Jul-22)	-	-
16	Debentures-Non Convertible Debentures	LT	460.00	CARE AA; Stable	-	1)CARE AA; Stable (20-Dec-22)	-	-
17	Debentures-Non Convertible Debentures	LT	3000.00	CARE AA; Stable				
18	Debentures-Non Convertible Debentures	LT	4000.00	CARE AA; Stable				

\*Long term / Short term

### Annexure-3: Detailed explanation of covenants of the rated instruments/facilities – Not Available

Name of the Instrument	Detailed Explanation
<b>A. Financial covenants</b>	
<b>I</b>	
<b>B. Non financial covenants</b>	
<b>I</b>	

### Annexure-4: Complexity level of various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Market Linked Debentures	Highly Complex
3	Debentures-Non Convertible Debentures	Simple
4	Fund-based - LT/ ST-Term loan	Simple
5	Inter Corporate Deposit	Simple

### Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

### Annexure 6: Entities considered for consolidation as on March 31, 2023

Sr. no.	Subsidiary	Extent of Consolidation (%)	Rationale for consolidation
1	Piramal Capital & Housing Finance Limited	100%	Wholly-owned subsidiary
2	Asset Resurgence Mauritius Manager	50%	Joint Venture
3	DHFL Advisory and Investment Private Limited	100%	Wholly-owned subsidiary
4	DHFL Changing Lives Foundation	100%	Wholly-owned subsidiary
5	DHFL Holdings Limited	100%	Wholly-owned subsidiary
6	DHFL Investments Limited	100%	Wholly-owned subsidiary
7	DHFL Ventures Trustee Company Private Limited	40%	Associate
8	India Resurgence ARC Private Limited	50%	Joint Venture
9	India Resurgence Asset Management Business Private Limited	50%	Joint Venture
10	INDIAREIT Investment Management Co.	100%	Wholly-owned subsidiary
11	PEL Finhold Private Limited	100%	Wholly-owned subsidiary

Sr. no.	Subsidiary	Extent of Consolidation (%)	Rationale for consolidation
12	Piramal Alternatives Private Limited	100%	Wholly-owned subsidiary
13	Piramal Asset Management Private Limited, Singapore	100%	Wholly-owned subsidiary
14	Piramal Consumer Products Private Limited	100%	Wholly-owned subsidiary
15	Piramal Dutch IM Holdco B.V	100%	Wholly-owned subsidiary
16	Piramal Finance Sales & Services Private Limited	100%	Wholly-owned subsidiary
17	Piramal Fund Management Private Limited	100%	Wholly-owned subsidiary
18	Piramal International	100%	Wholly-owned subsidiary
19	Piramal Investment Advisory Services Private Limited	100%	Wholly-owned subsidiary
20	Piramal Payment Services Limited	100%	Wholly-owned subsidiary
21	Piramal Securities Limited	100%	Wholly-owned subsidiary
22	Piramal Systems & Technologies Private Limited	100%	Wholly-owned subsidiary
23	Piramal Technologies SA	100%	Wholly-owned subsidiary
24	Pramerica Life Insurance Limited	50%	Joint Venture
25	PRL Agastya Private Limited (w.e.f. December 12, 2022)	100%	Wholly-owned subsidiary
26	Shriram General Insurance Company Limited	13.33%	Associate
27	Shriram GI Holdings Private Limited	20%	Associate
28	Shriram Investment Holdings Limited	20%	Associate
29	Shriram LI Holdings Private Limited	20%	Associate
30	Shriram Life Insurance Company	14.91%	Associate
31	Virdis Infrastructure Investment Managers Private Limited	100%	Wholly-owned subsidiary

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

### Contact us

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**About us:**

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

**Disclaimer:**

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,  
please visit [www.careedge.in](http://www.careedge.in)**

**ANNEXURE C: CONSENT OF THE DEBENTURE TRUSTEE**

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**Consent letter from Debenture Trustee**Date: 28<sup>th</sup> August, 2023

Ref No: 57054/ITSL/OPR/CL/23-24/DEB/528

To,

**The Board of Directors**

Piramal Enterprises Limited  
Piramal Ananta, Agastya Corporate Park,  
Opposite Fire Brigade, Kamani Junction,  
LBS Marg, Kurla (West),  
Mumbai – 400 070  
Maharashtra, India

Dear Sir/Madam,

**Re: Proposed Public Issue by Piramal Enterprises Limited ("Company") of secured non-convertible debentures of face value ₹ [1000] each aggregating upto ₹ [3000] Crores ("NCDs") through one or more tranches ("Issue")**

We, the undersigned, hereby give our consent to our name being included as Debenture Trustee to the Issue in accordance with Schedule I of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended in the Draft Shelf Prospectus to be filed with BSE Limited and National Stock Exchange of India Limited where the NCDs are proposed to be listed ("Stock Exchanges") for the purposes of receiving public comments and with the Securities and Exchange Board of India ("SEBI"), the Shelf Prospectus and the Tranche Prospectus(es) to be filed with the Registrar of Companies, Maharashtra at Mumbai ("RoC"), the Stock Exchanges and SEBI in respect of the Issue and all other documents, including application forms and abridged prospectus advertisements, and subsequent periodical communications sent to the holders of the NCDs pursuant to the Issue (collectively referred to as the "Offer Documents").

We hereby authorise you / your representative to deliver this letter of consent to the Stock Exchanges, the RoC, SEBI and/or such other regulatory / governmental authority, as may be required by law or in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation and to upload on the website of Company, if required.

The following details with respect to us may be disclosed in the Offer Documents:



Logo:

Name: IDBI Trusteeship Services Limited

Address: Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai - 400001

Tel: (91) (22) 40807015

Fax: (91) (22) 6631 1776

E-mail: [response@idbitrustee.com](mailto:response@idbitrustee.com)Investor Grievance E-mail Id: [response@idbitrustee.com](mailto:response@idbitrustee.com)Website: [www.idbitrustee.com](http://www.idbitrustee.com)

Contact Person: Mr. Nikhil Lohana / Mr. Gaurav Jeswani / Mr. Yash Ghelani

SEBI Registration Number: IND000000460

CIN: U65991MH2001GOI131154

We confirm that the above details in relation to us are true, correct and complete in all respects.

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our SEBI registration certificate and declaration regarding our registration with SEBI in the required format in **Annexure A**. We certify that we have not been prohibited or debarred by SEBI or any other regulatory authority, court or tribunal to act as an intermediary in securities market issues. We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We further confirm that no enquiry / investigation is being conducted by SEBI on us.

We shall immediately intimate the Company in writing of any changes, additions or deletions in respect of the aforesaid details till the date when the NCDs of the Company offered, issued and allotted pursuant to the Issue, are traded on the Stock



## **IDBI Trusteeship Services Ltd.**

CIN : U65991MH2001GOI131154



Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and commencement of trading of the NCDs on the Stock Exchanges.

We also agree to keep strictly confidential, until such time the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the Issue of the Company.

This consent letter is for information and for inclusion (in part or full) in the Offer Documents or any other Offer-related material, and may be relied upon by the Company, the Lead Managers and the legal counsels appointed by the Company and the Lead Managers in relation to the Issue. I hereby consent to the submission of this letter as may be necessary to the SEBI, the RoC, the relevant stock exchanges and any other regulatory authority and/or for the records to be maintained by the Lead Managers and in accordance with applicable law.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the draft shelf prospectus/ shelf prospectus/ tranche prospectus(es) filed in relation to the Issue.

Yours faithfully,

For **IDBI Trusteeship Services Limited**

A handwritten signature in blue ink that reads 'Yash Ghelani'.



**Authorised Signatory**

**Name: Yash Ghelani**

**Designation: Asst. Manager**



डिबेंचर न्यासी

प्ररूप ख  
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड  
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993  
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 २६३

(विनियम ८)

(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र  
CERTIFICATE OF REGISTRATION

- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,  
1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

**IDBI TRUSTESHIP SERVICES LIMITED  
ASIAN BUILDING, GROUND FLOOR  
17, R. KAMANI MARG  
BALLARD ESTATE  
MUMBAI-400 001**

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।  
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

- 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट  
2) Registration Code for the debenture trustee is

है।  
**IND000000460**

- 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र  
3) Unless renewed, the certificate of registration is valid from

से  
तक विधिमान्य है।  
**This certificate of registration shall be valid unless  
it is suspended or cancelled by the board**

स्थान Place : **MUMBAI**

तारीख Date : **FEBRUARY 14, 2017**



आदेश से  
भारतीय प्रतिभूति और विनियम बोर्ड  
के लिए और उसकी ओर से  
By order  
For and on behalf of  
**Securities and Exchange Board of India**

*M. J. Sanparote*  
**MEDHASONPAROTE**

प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

