

# **M L BHUWANIA AND CO LLP**

## **CHARTERED ACCOUNTANTS**

F-11, 3rd floor, Manek Mahal, 90, Veer Nariman Road, Churchgate, Mumbai - 400 020, INDIA.  
T : +91 22 6117 4949 F : +91 22 6117 4950 E : info@mlbca.in W : www.mlbca.in

### **INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of **PIRAMAL CORPORATE SERVICES PRIVATE LIMITED**

#### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **PIRAMAL CORPORATE SERVICES PRIVATE LIMITED** ("Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates listed in Annexure A, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, their consolidated profit, the consolidated other comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



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Key Audit Matter	Auditor's Response
<b>A. Impairment assessment of goodwill</b>  Refer to Note No. 4 to the consolidated financial statements.  The group has Goodwill of Rs. 16,30,79,99,725 on the standalone balance sheet that arose mainly from past merger.  Goodwill has to be assessed for impairment on a yearly basis by management using a discounted cash flow model to individually determine the value in use of goodwill balances. This requires the use of a number of key assumptions and judgments, including the estimated future cash flows, long-term growth rates, profitability levels and discount rates applied as well as the determination of the cash generating units ("CGUs") for the goodwill impairment testing. The group used Income Approach and Relief from Royalty Method for current value analysis of the Goodwill.  The goodwill balance is significant compared to total assets and there are a number of judgments involved in performing the impairment test. That is why the same is considered as Key Audit Matter.	<p>Our audit procedures included discussion with the management. We understood, evaluated and validated management's key controls over the impairment assessment process:</p> <ul style="list-style-type: none"><li>• We reviewed the valuation report, issued by an Independent valuer, provided by the management. We also reviewed the calculations and basis of calculations.</li><li>• We obtained management's future cash flow forecasts, tested the mathematical accuracy of the underlying calculations. We also compared historical actual results to those budgeted to assess the quality of management's forecasts.</li><li>• We gained an understanding and assessed the reasonableness of business plans by comparing them to prior year's assumptions.</li><li>• We also assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, gross profit margin, net profit margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed them with management to understand and evaluate management's basis for determining the assumptions.</li><li>• We obtained and tested management's sensitivity analysis around the key assumptions, to ascertain that selected adverse changes to key assumptions, both individually and in aggregate, would not cause the carrying amount of goodwill to exceed the recoverable amount.</li><li>• We evaluated management's assessment on whether any events or change in circumstances indicate there may be a change in the expected useful lives of assets.</li></ul>



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### **Other Information**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the consolidated financial statements and our Auditors' 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 if the subsidiaries 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 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 Holding Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of Act with respect to the preparation and presentation 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 consolidated cash flows of the Group and its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective company's management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 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 management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and its associates are responsible for assessing the ability of the Group and its associates 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 management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective management and Board of Directors of the companies included in the Group and its associates are responsible for overseeing the financial reporting process of the Group and its associates.



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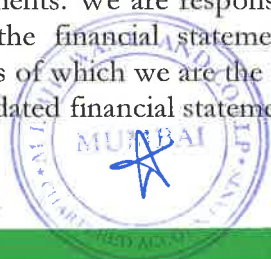
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### Auditor's Responsibility for the Audit of the consolidated financial statements

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 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by other





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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.

We communicate with those charged with governance of the Holding Company 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 three subsidiaries, whose financial statements / financial information reflect unconsolidated total assets of Rs. 6,97,49,46,585 as at March 31, 2020, unconsolidated total revenues of Rs. 20,72,23,449, unconsolidated other comprehensive loss of Rs. 21,65,465, unconsolidated net loss after tax of Rs. 10,35,30,754 and unconsolidated net cash outflows amounting to Rs. 3,45,94,432 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements, in respect of three associates include the Group's share of net loss of Rs. 74,881 and other comprehensive income is Nil, 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 and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries/associates are based solely on the reports of the other auditors.

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 unaudited financial statements / financial information certified by the management of the Holding Company.

### **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 report of the other auditors on separate financial statements / information of subsidiaries, unaudited financial statements / financial information referred to in the paragraph on 'Other Matters' section above, we report, to the extent applicable, that:

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- 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 Changes in Equity and the Consolidated Statement of Cash Flows 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associates incorporated in India, none of the directors of the Group companies and its associates incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) 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 as amended, 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 report of the other auditors on the financial statements / information of the subsidiaries and its associates, the financial statements / information certified by the Management in the case of some subsidiaries, as noted in the paragraph on 'Other Matters':
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note No. 43 to the consolidated financial statements;
  - ii. The Group and its associates did not have any material foreseeable losses on long term contracts including derivatives contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, and its associates incorporated in India.



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h) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the section 197(16) of the Companies Act, 2013 is not applicable to the holding company and its subsidiaries and associates except one subsidiary. The subsidiary company to which this section applies has not given any remuneration to the directors during the financial year. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For M L BHUWANIA AND CO LLP

Chartered Accountants

FRN: 101484W/W100197



Ashishkumar Bairagra

Partner

Membership No. 109931

UDIN: 21109931AAAAAU1292

Place: Mumbai

Date: December 26, 2020

F- 11, 3rd Floor, Manek Mahal,  
90, Veer Nariman Road, Churchgate,  
Mumbai - 400 020, India.



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**Annexure A to the Independent Auditors Report dated December 26, 2020**

Sr. No.	Name	Subsidiary / Associates
1	Piramal Water Private Limited	Subsidiary
2	Piramal Sons Private Limited	Subsidiary
3	The Swastik Safe Deposit And investments Limited	Subsidiary
4	Ecofriendly Corpack Private Limited	Associate
5	Samir Chinai Associates Private Limited	Associate
6	India Polo Promotion Foundation	Associate





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### **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

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

Referred to in paragraph (f) of '**Report on Other Legal and Regulatory Requirements**' in the Independent Auditor's Report on the consolidated financial statements of the company for the year ended March 31, 2020.

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of **PIRAMAL CORPORATE SERVICES PRIVATE LIMITED** ("the Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial control over financial reporting of the Holding Company and its subsidiary companies and its associates, incorporated in India, wherever applicable, as of that date.

In our opinion to the best of our knowledge and according to the opinion expressed in the report of other auditors, the Holding Company, its subsidiary companies and its associates incorporated in India, wherever applicable, in all material respects, have an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal controls over financial reporting established by the respective companies, wherever applicable, 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.

#### **Management's Responsibility for Internal Financial Controls**

The respective company's management and Board of Directors of Holding Company, its subsidiary companies and its associates incorporated in India, wherever applicable, are responsible for establishing and maintaining internal financial controls based on the internal controls 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 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent 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

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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 judgment, including the assessment of the risks of material misstatement of the consolidated 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 in terms of their reports referred to in the paragraph on 'Other Matters', is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its associates incorporated in India, wherever applicable.

### **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 consolidated 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.



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### Other Matters

Our aforesaid reports 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 in so far as it relates to 3 subsidiary companies and 3 associates company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India and the information provided by the Management.

For M L BHUWANIA AND CO LLP  
Chartered Accountants  
FRN: 101484W/W100197

Ashishkumar Bairagra

Partner

Membership No. 109931

UDIN: 21103931AAAAAU1292

Place: Mumbai

Date: December 26, 2020

F- 11, 3rd Floor, Manek Mahal,  
90, Veer Nariman Road, Churchgate,  
Mumbai - 400 020, India.



**Piramal Corporate Services Private Limited**  
(Formerly, Nicholas Piramal Pharma Private Limited)

**Consolidated Balance Sheet**  
as at 31 March 2020

(In Rs.)

Particulars	Note	31 March 2020	31 March 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, plant and equipment	3	23,90,64,115	25,64,31,532
(b) Capital work-in-progress	3	-	-
(c) Goodwill	4	16,30,79,99,725	16,30,79,99,725
(d) Right-to-use assets	5	23,40,653	-
(e) Intangible assets under development	6	2,38,72,222	-
(f) Investment in equity accounted investees	7	37,53,608	38,28,489
(g) Financial assets			
(i) Investments	8	6,32,73,35,583	6,44,24,25,902
(ii) Other financial assets	9	21,70,086	21,70,086
(h) Deferred tax assets (Net)	27	55,89,893	-
(i) Non Current tax assets (Net)	10	11,86,40,098	17,39,10,193
(j) Other Non current assets	11	229	-
<b>Total Non-Current Assets</b>		<b>23,03,07,66,212</b>	<b>23,18,67,65,927</b>
<b>Current Assets</b>			
(a) Inventories	12	2,72,29,695	2,80,45,708
(b) Financial assets			
(i) Investments	13	50,23,02,608	17,70,98,018
(ii) Trade receivables	14	23,06,80,189	49,27,56,283
(iii) Cash and cash equivalents	15	4,38,09,674	6,57,86,411
(iv) Bank Balance other than (iii) above	16	48,176	50,865
(v) Loans	17	1,13,68,84,163	1,33,84,03,066
(vi) Other financial assets	18	5,33,20,645	17,42,196
(c) Current tax assets (net)	19	41,29,38,070	26,67,50,935
(d) Other Current assets	20	6,08,11,431	15,80,58,702
<b>Total Current Assets</b>		<b>2,46,80,24,651</b>	<b>2,52,86,92,204</b>
<b>TOTAL ASSETS</b>		<b>25,49,87,90,863</b>	<b>25,71,54,58,131</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	21	17,53,79,08,920	17,53,79,08,920
(b) Other equity	22	4,97,59,78,954	3,99,55,50,050
<b>Equity attributable to owners of the Company</b>		<b>22,51,38,87,874</b>	<b>21,53,34,58,970</b>
Non-controlling interests	42	1,64,04,51,707	1,64,03,55,335
<b>Total Equity</b>		<b>24,15,43,39,580</b>	<b>23,17,38,14,305</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	50,98,52,426	1,45,27,51,954
(ii) Lease liabilities	24	15,36,913	-
(iii) Other financial liabilities	25	10,97,10,100	10,97,10,060
(b) Provisions	26	2,49,72,067	2,02,94,081
(c) Deferred tax liabilities (Net)	27	-	57,39,88,599
<b>Total Non-Current Liabilities</b>		<b>64,60,71,506</b>	<b>2,15,67,44,694</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	28	21,65,15,112	7,13,49,999
(ii) Trade payables -	29		
(a) due of micro enterprises and small enterprises		4,400	-
(b) due of creditors other than micro enterprises and small enterprises		3,30,33,539	2,27,31,287
(iii) Lease liabilities	30	9,05,375	-
(iv) Other financial liabilities	31	22,56,92,060	6,28,36,414
(b) Provisions	32	13,33,85,201	13,49,63,340
(c) Other current liabilities	33	8,88,44,089	9,30,18,092
<b>Total Current Liabilities</b>		<b>69,83,79,776</b>	<b>38,48,99,132</b>
<b>Total Liabilities</b>		<b>1,34,44,51,283</b>	<b>2,54,16,43,826</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,49,87,90,863</b>	<b>25,71,54,58,131</b>

Significant accounting policies

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The notes referred above are an integral part of these financial statements.

As per our report of even date attached

For M L BHUWANIA AND CO LLP  
Chartered Accountants

ERN: 101484W / W100197

Ashishkumar Bairagra

Partner

Membership No. 109931

F- 11, 3rd Floor, Manek Mahal,  
90, Veer Nariman Road, Churchgate,  
Mumbai - 400 020, India.

Place: Mumbai

Date: December 26, 2020

For and on behalf of the Board of Directors

Piramal Corporate Services Private Limited

Suhil Adulkar

Director

DIN: 00020049

Narayan A.

Director

DIN: 06575756

Jitesh Agarwal

Company Secretary

Membership No. FCS-6890

Place: Mumbai

Date: December 26, 2020





**Piramal Corporate Services Private Limited**  
(Formerly, Nicholas Piramal Pharma Private Limited)

**Consolidated Statement of Profit and Loss**  
for the year ended 31 March 2020

			(In Rs.)
Particulars	Note	31 March 2020	31 March 2019
<b>Income</b>			
Revenue from operations	34	1,23,80,41,281	85,06,87,303
Other income	35	12,90,40,918	10,00,57,983
<b>Total income</b>		<b>1,36,70,82,199</b>	<b>95,07,45,286</b>
<b>Expenses</b>			
Cost of materials consumed	36	4,06,72,071	3,80,28,756
Purchase of stock-in-trade	36	10,46,492	2,50,800
Changes in inventories of finished goods, semi finished goods and stock-in-trade	37	(1,11,231)	(1,85,325)
Employee benefits expense	38	23,79,50,309	21,17,12,874
Finance costs	39	21,79,95,173	2,49,34,892
Depreciation and amortisation expense	40	2,11,01,364	1,83,21,172
Other expenses	41	39,73,99,577	1,04,88,62,280
<b>Total expenses</b>		<b>91,60,53,755</b>	<b>1,34,19,25,449</b>
<b>Profit before share of net profits of investments accounted for using the equity method and tax</b>		<b>45,10,28,444</b>	<b>(39,11,80,162)</b>
<b>Share of net profits of associates and joint ventures accounted for using the equity method</b>		<b>(74,881)</b>	<b>(90,911)</b>
<b>Profit before tax</b>		<b>45,09,53,563</b>	<b>(39,12,71,073)</b>
<b>Tax expense:</b>			
Current tax		11,40,71,000	22,93,306
Short/(Excess) provision of tax relating to earlier years		(5,33,55,404)	-
MAT Credit Entitlement		(11,40,71,000)	-
Deferred tax		(43,79,49,283)	(14,76,85,451)
<b>Total Tax expense</b>		<b>(49,13,04,687)</b>	<b>(14,53,92,145)</b>
<b>Profit for the year</b>		<b>94,22,58,250</b>	<b>(24,58,78,928)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Re-measurements of defined benefit plan		(36,91,128)	38,31,492
Fair value of equity instruments through other comprehensive income		1,45,10,269	7,16,20,975
Income tax relating to above		2,75,58,210	(2,47,86,587)
<b>Other comprehensive income for the year, net of tax</b>		<b>3,83,77,351</b>	<b>5,06,65,880</b>
<b>Total comprehensive income for the year</b>		<b>98,06,35,601</b>	<b>(19,52,13,048)</b>
<b>Profits attributable to:</b>			
Owners of the Company		94,20,87,902	(24,78,53,707)
Non-Controlling interests		1,70,349	19,74,778
<b>Profit for the year</b>		<b>94,22,58,250</b>	<b>(24,58,78,928)</b>
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		3,83,77,351	5,06,65,880
Non-Controlling interests		-	-
<b>Other comprehensive income for the year</b>		<b>3,83,77,351</b>	<b>5,06,65,880</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		98,04,65,253	(19,71,87,827)
Non-Controlling interests		1,70,349	19,74,778
<b>Total comprehensive income for the year</b>		<b>98,06,35,601</b>	<b>(19,52,13,049)</b>
<b>Earnings per share (Face Value Rs. 10)</b>			
Basic and Diluted (Rs.)	46	0.54	(0.14)

Significant accounting policies

The notes referred above are an integral part of these financial statements.

As per our report of even date attached

For M L BHUWANIA AND CO LLP  
Chartered Accountants  
FRN: 101484W / W100197

**Aashishkumar Bairagra**  
Partner  
Membership No. 109931

F- 11, 3rd Floor, Manek Mahal,  
90, Veer Nariman Road, Churchgate,  
Mumbai - 400 020, India.

Place: Mumbai  
Date: December 26, 2020

For and on behalf of the Board of Directors  
Piramal Corporate Services Private Limited

**Sunil Adukia**  
Director  
DIN: 00020049

**Narayan A.**  
Director  
DIN: 06575756

**Jitesh Agarwal**  
Company Secretary  
Membership No. FCS-6890

Place: Mumbai  
Date: December 26, 2020



**Piramal Corporate Services Private Limited**  
**(Formerly, Nicholas Piramal Pharma Private Limited)**

**Cash Flow Statement**  
for the year ended 31 March 2020

	<b>(In Rs.)</b>	
<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Cash flows from operating activities</b>		
Profit before tax	45,10,28,444	(39,11,80,162)
Adjustments for :		
Depreciation and amortisation expense	2,02,64,062	1,83,21,172
Finance costs	21,77,38,852	2,49,34,892
Interest income	(25,80,42,287)	(5,58,52,301)
IND AS 116 effect	1,01,635	-
Loss/(Profit) on sale of Investments	4,29,27,121	(6,48,03,522)
Liabilities no longer payable written back	(21,25,754)	(6,48,257)
Loss / (Gain) on Investments classified as FVTPL	(9,38,59,235)	36,19,97,619
Premium on redemption of preference shares	49	-
Provision for Doubtful Loan & Interest	78,99,869	9,64,85,035
Dividend Income	(1,640)	(120)
Net gain on foreign currency transaction and translation	(3,97,229)	(32,03,188)
	<b>38,55,33,886</b>	<b>(1,39,48,833)</b>
Working capital adjustments :		
Increase / (Decrease) in trade payables	1,24,32,406	1,67,79,055
Increase / (Decrease) in Current financial liabilities	(3,24,67,493)	10,95,512
Increase / (Decrease) in Other Current liabilities	(41,71,314)	4,02,92,115
Increase / (Decrease) in Long Term Provisions	9,86,858	18,76,941
Increase / (Decrease) in Short Term Provisions	(15,78,139)	(80,18,447)
(Increase) / Decrease in loans & Advances	19,36,19,034	(1,18,61,94,410)
(Increase) / Decrease in Inventories	8,16,012	(96,92,671)
(Increase) / Decrease in trade receivables	26,24,73,323	(17,27,90,560)
(Increase) / Decrease Other Financial assets	(31,69,571)	26,30,96,424
(Increase) / Decrease Other Current assets	9,72,47,042	-
Cash generated from operations	<b>91,17,22,045</b>	<b>(1,06,75,04,874)</b>
Income taxes paid (Net)	(15,16,32,635)	(6,94,28,861)
<b>Net cash generated from operating activities</b>	<b>(A) 76,00,89,410</b>	<b>(99,80,76,013)</b>
<b>Cash flows from investing activities</b>		
Payments for purchase of items of property, plant and equipment	(28,96,645)	(6,51,19,103)
Purchase of Intangible Assets (net)	(2,38,72,222)	-
(Purchase)/Sale of investments	(14,46,71,868)	(12,60,38,438)
Dividend received	1,640	120
Interest received	20,96,33,409	5,58,52,301
<b>Net cash (used in) investing activities</b>	<b>(B) 3,81,94,314</b>	<b>(13,53,05,120)</b>
<b>Cash flows from financing activities</b>		
Proceeds/(Repayment) of non-current borrowings (Net)	(58,01,44,311)	1,20,47,01,365
Dividend paid	(1,10,325)	(1,10,325)
Interest paid	(24,00,05,825)	(3,29,72,664)
<b>Net cash (used in) financing activities</b>	<b>(C) (82,02,60,461)</b>	<b>1,17,16,18,376</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A + B + C) (2,19,76,736)</b>	<b>3,82,37,244</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6,57,86,410</b>	<b>2,75,49,167</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,38,09,674</b>	<b>6,57,86,410</b>



**Piramal Corporate Services Private Limited**  
**(Formerly, Nicholas Piramal Pharma Private Limited)**

**Cash Flow Statement (Continued)**  
for the year ended 31 March 2020

**Notes :**

1. The above Cash flow statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard 7 - *Statement of Cash Flows*.

	As at 31 March 2020	As at 31 March 2019
<b>2. Cash and cash equivalents include:</b>		
Balances with banks:		
In current accounts	4,36,36,427	6,56,46,625
Cash on Hand	1,73,247	1,39,785
	<b>4,38,09,674</b>	<b>6,57,86,410</b>

The notes referred above are an integral part of these financial statements.

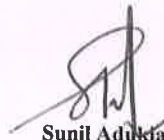
As per our report of even date attached

For M L BHUWANIA AND CO LLP  
Chartered Accountants  
FRN: 101484W / W100197

For and on behalf of the Board of Directors  
Piramal Corporate Services Private Limited



**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

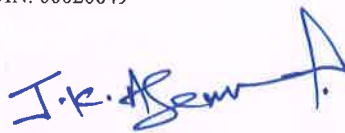


**Sunil Adulkar**  
Director  
DIN: 00020049



**Narayan A.**  
Director  
DIN: 06575756

F- 11, 3rd Floor, Manek Mahal,  
90, Veer Nariman Road, Churchgate,  
Mumbai - 400 020, India.



**Jitesh Agarwal**  
Company Secretary  
Membership No. FCS-6890

Place: Mumbai  
Date: December 26, 2020

Place: Mumbai  
Date: December 26, 2020

Piramal Corporate Services Private Limited  
(Formerly, Nicholas Piramal Pharma Private Limited)

Statement of Changes in Equity  
for the year ended 31 March 2020

(A) Equity share capital		Note	Number of shares	Amount
Issued, Subscribed and Paid up capital Equity shares of Rs. 10/- each fully paid up		21		
Balance as at 1 April 2018			30	300
Changes in equity share capital during the year			1,75,37,90,862	17,53,79,08,620
Balance as at 31 March 2019			1,75,37,90,892	17,53,79,08,920
Changes in equity share capital during the year			-	-
Balance as at 31 March 2020			1,75,37,90,892	17,53,79,08,920
(B) Other equity		Note		
Share suspense account		22	Number of shares	Amount
Balance as at 1 April 2018			1,75,37,90,862	17,53,79,08,620
Equity suspense share issued during the year (Refer Note given below)			(1,75,37,90,862)	(17,53,79,08,620)
Balance as at 31 March 2019			-	-
Additions during the year			-	-
Balance as at 31 March 2020			-	-

Reserves and surplus	Reserves and surplus						Other comprehensive income		Total
	Capital Reserve	Capital reserve on Consolidation of associates	Capital Redemption reserve	Reserve fund u/f 45-IC(1) of RBI Act, 1934	General reserve	Retained earnings	Equity investments	Actuarial gains and losses	
Balance as at 1 April 2018	1,58,34,880	8,04,23,672	10,450	6,66,44,099	6,18,52,55,112	(54,17,27,637)	2,09,77,068	38,11,114	5,83,12,28,758
Profit for the year	-	-	-	-	-	(24,58,78,928)	-	-	(24,58,78,928)
Transfer to reserves	-	-	-	15,42,193	-	(15,42,193)	-	-	-
Dividend paid	-	-	-	-	-	(1,10,325)	-	-	(1,10,325)
Items of other comprehensive income for the year, net of taxes	-	-	-	-	-	-	-	-	-
Re-measurements of defined benefit plans	-	-	-	-	-	-	-	-	-
Fair value of equity instruments through other comprehensive income	-	-	-	-	-	-	-	38,31,492	38,31,492
Income tax related to items that will not be reclassified to profit or loss	-	-	-	-	-	-	7,16,20,975	-	7,16,20,975
Total comprehensive income for the year	-	-	-	15,42,193	-	(24,75,31,447)	(2,47,86,587)	-	(2,47,86,587)
Balance as at 31 March 2019	1,58,34,880	8,04,23,672	10,450	6,81,86,292	6,18,52,55,112	(78,92,59,084)	6,78,11,456	38,31,492	(19,53,23,374)
Profit for the year	-	-	-	-	-	94,22,58,250	-	-	94,22,58,250
Transfer to reserves	-	-	-	1,33,033	-	(1,33,033)	-	-	-
Dividend paid	-	-	-	-	-	(1,10,325)	-	-	(1,10,325)
Items of other comprehensive income for the year, net of taxes	-	-	-	-	-	-	-	-	-
Re-measurements of defined benefit plans	-	-	-	-	-	-	-	-	-
Fair value of equity instruments through other comprehensive income	-	-	-	-	-	-	-	(36,91,128)	(36,91,128)
Income tax related to items that will not be reclassified to profit or loss	-	-	-	-	-	-	1,45,10,269	-	1,45,10,269
Total comprehensive income for the year	-	-	-	1,33,033	-	94,20,14,892	2,75,58,210	-	2,75,58,210
Balance as at 31 March 2020	1,58,34,880	8,04,23,672	10,450	6,83,19,325	6,18,52,55,112	15,27,55,808	10,98,79,935	(36,91,128)	98,05,25,276

Share suspense account

Pursuant to the scheme of merger as discussed in note 21, the company have issued 1,753,790,862 equity shares in last year. Since the same were pending issuance on the appointed date, the consideration has been accounted through share a suspense account

The notes referred above are an integral part of these financial statements.

As per our report of even date attached

For M L BHUWANIA AND CO LLP  
Chartered Accountants  
FRN: 101484W / W100197

*Ashish Kumar Bairagra*

Ashish Kumar Bairagra  
Partner  
Membership No. 109931

F- 11, 3rd Floor, Manek Mahal,  
90, Veer Nariman Road, Churchgate,  
Mumbai - 400 020, India.

Place: Mumbai  
Date: December 26, 2020



For and on behalf of the Board of Directors  
Piramal Corporate Services Private Limited

*Sunil Adukin*  
Sunil Adukin  
Director  
DIN: 00020049

*Narayan A.*  
Narayan A.  
Director  
DIN: 06575756

*Jitesh Agarwal*  
Jitesh Agarwal  
Company Secretary  
Membership No. FCS-6890

Place: Mumbai  
Date: December 26, 2020



**Piramal Corporate Services Private Limited**  
**(Formerly, Nicholas Piramal Pharma Private Limited)**

**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

**1 Company overview**

Piramal Corporate Services Private Limited/PCSPL (formerly known as Nicholas Piramal Pharma Private Limited) ("Company") incorporated on 27 March 1989 under the Companies Act 1956, at Mumbai. As a part of the scheme of arrangement, Piramal Texturising Private Limited (PTPL), Vulcan Investments Private Limited (VIPL) and Piramal Corporate Services Limited (PCSL) together referred as Transferor Companies have merged with Nicholas Piramal Pharma Private Limited (NPPPL) referred as Transferee Company. Pursuant to the scheme The company applied for a change in name to "Piramal Corporate Services Private Limited" vide application dated 09 November 2018. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the "Group") and the Group's interest in associates. The Company is primarily engaged in business of providing Royalty and Corporate Services.

The Group is also engaged in business of lending and investing funds, selling of goods and providing royalty and corporate services.

**2 Significant Accounting Policies**

**2.1 Basis of preparation**

**a) Statement of compliance**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

**b) Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest rupee, unless otherwise indicated.

**c) Basis of measurement**

The Ind AS financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and financial liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

**d) Use of estimates and judgments**

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and judgments that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

**Classification of investment of subsidiaries, associates and joint ventures**

Identification of whether the Group has significant influence, joint control or control over an investee is based on the relevant agreements and regulations

**Impairment of equity accounted investee**

The Group reviews its carrying value of equity accounted investees annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the consolidated financial statements



#### **Impairment of goodwill**

The Group estimates the value-in-use of the goodwill based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the goodwill represent the weighted average cost of capital based on the historical market returns of comparable companies.

#### **Impairment of investments**

The Group reviews its carrying value of investments carried at amortised cost / deemed cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than it is carrying amount, the impairment loss is accounted for.

#### **Useful lives of property, plant and equipment**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### **Provisions and contingent liabilities**

A provision is recognised when the Group has a present obligation because of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

#### **Fair value measurement of financial instruments**

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 including the Discounted Cash Flow 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.

#### **Recognition of Deferred Tax assets/liabilities**

Group recognizes deferred tax assets/ liabilities based on temporary differences between taxable profits and book profits. Refer note 27

#### **Determination of Employee benefits**

The group pays fixed contributions into a separate entity for post-employment benefit plan. The group uses actuarial valuation reports for such contribution plans and the details of assumptions are given in note 47

#### **e) Measurement of fair values**

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has establish policies and procedure with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts 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.



**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

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.

**f) Basis for consolidation**

**Business combinations**

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in the equity of subsidiaries.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit and loss or OCI, as appropriate.

Business combinations arising from transfer of interests in entities that are under the common control are accounted for using the carrying values i.e. pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve.

**Subsidiaries:**

Subsidiaries are all entities over which the group has control. The group controls an entity when the Group 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. 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 consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The Group combines the financial statements of the Group and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses, after eliminating intra-group balances, intra-group transactions and profits/losses, unless cost/revenue cannot be recovered. Intra Group 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 wherever necessary to ensure consistency with the policies adopted by the Group.

**Non-controlling interests (NCI)**

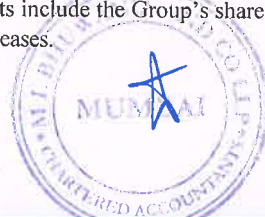
NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

**Equity accounted investee:**

The Group's interests in equity accounted investees comprise interests in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit and loss and OCI of equity accounted investees until the date on which significant influence ceases.



**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

**Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**2.2 Foreign currency**

**Foreign currency transactions**

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

**2.3 Financial instruments**

**i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus / minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**ii. Classification and subsequent measurement**

**a. Financial assets**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and





**Piramal Corporate Services Private Limited**  
**(Formerly, Nicholas Piramal Pharma Private Limited)**

**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

b. Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.



### **iii. Derecognition**

#### **Financial assets**

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### **iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## **2.4 Investment in associates**

Investments representing equity interest in associates are carried at cost less any provision for impairment.

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

## **2.5 Property, plant and equipment, Goodwill and intangible assets**

### **i. Recognition and measurement**

Items of property, plant and equipment and intangible assets are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment and intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property plant and equipment.

### **ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.



**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

**iii. Depreciation and amortisation**

- i. Depreciation on property, plant and equipment is provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except mobile phones where useful life has taken 2 years
- ii. Goodwill on merger is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.
- iii. Freehold improvements are depreciated over the lease period or useful life whichever is lower.

**2.6 Impairment**

**A. Impairment of financial instruments**

The Group recognises loss allowances for expected credit losses on:

- i. Financial assets measured at amortised cost; and
- ii. Financial assets measured at FVOCI- debt investments.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- i. significant financial difficulty of the borrower or issuer;
- ii. a breach of contract such as a default or being past due for 90 days or more;
- iii. the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- iv. it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- v. the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- i. debt securities that are determined to have low credit risk at the reporting date; and
- ii. other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, 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 informed credit assessment and including forward- looking information.

**B. Impairment of non-financial assets**

The Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's fair value less costs of the disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

The recoverable amount of an individual asset is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is recognized in the statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

## **2.7 Revenue recognition**

- i. Dividend income is recognised when the right to receive dividend is established
- ii. Interest income is recognised using the Effective Interest Rate method.
- iii. Revenue comprises of revenue from providing Royalty and Corporate Services. Revenue is recognised over a period of time, as and when the performance obligation is satisfied with an enforceable right to payment for performance completed to date.
- iv. Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:
  - a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
  - b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
  - c) the amount of revenue can be measured reliably;
  - d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
  - e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## **2.8 Employee benefits**

### **Short-term employee benefits**

Short-term employee benefit are compensated absence which is post employment benefit measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### **Defined contribution plans:**

Contribution payable to the provident and superannuation fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

### **Defined benefit plans**

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The Liability recognized in the balance sheet is the present value of defined benefit obligation at the balance sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.





**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

## **2.9 Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## **2.10 Provisions, Contingent Liabilities and Contingent Assets**

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent Assets are neither recognised nor disclosed.

## **2.11 Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

## **2.12 Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.



**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustments to future economic benefits in the form of adjustments to future income tax liability, is considered as an asset if there is convincing evidence that the group will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that future economic benefits associated with it will flow to the group.

**iii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

— temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

— temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**2.13 Borrowing cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred. The capitalisation of borrowing cost is suspended when the activities necessary to prepare the qualifying asset are deferred / interrupted for significant period of time.



**Piramal Corporate Services Private Limited**  
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**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

**2.14 Earnings per share (EPS)**

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

**2.15 Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group. Such income or expense is classified as an exceptional item and accordingly, are disclosed in the notes accompanying to the Ind AS financial statements.

**2.16 Dividend**

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

**2.17 Segment reporting**

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Executive Directors and Chief Financial Officer (who are the Group's chief operating decision maker) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in conformity with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which related to the Group as a whole and are not allocable to segments on a reasonable basis have been included under unallocable revenue/expenses/assets/liabilities.



**Piramal Corporate Services Private Limited**  
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Notes to the financial statements (continued)  
for the year ended 31 March 2020

**3 Property, plant and equipment**

(In Rs.)

**A. Reconciliation of carrying amount**

	Leasehold Improvements	Office Premises	Plant and Machinery Freehold	Office Equipment	Furniture and Fixture	Vehicles	Computers	Total	Capital Work in progress (Office Premises)
<b>Balance as at 1 April 2018</b>	1,30,51,773	1,69,421	3,49,76,386	47,90,469	2,42,17,841	1,74,46,588	65,49,943	10,12,02,421	16,42,85,348
Additions/Adjustments during the year for merger	15,33,188	17,09,18,650	-	9,38,738	1,74,476	5,34,36,434	24,02,966	22,94,04,452	66,33,302
Deductions	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>1,45,84,961</b>	<b>17,10,88,071</b>	<b>3,49,76,386</b>	<b>57,29,207</b>	<b>2,43,92,317</b>	<b>7,08,83,022</b>	<b>89,52,909</b>	<b>33,06,06,873</b>	<b>(17,09,18,650)</b>
Balance as at 1 April 2019	1,45,84,961	17,10,88,071	3,49,76,386	57,29,207	2,43,92,317	7,08,83,022	89,52,909	33,06,06,873	-
Additions	-	-	-	5,08,325	27,204	-	23,61,116	28,96,645	-
Deductions	-	-	-	(8,65,761)	(7,40,387)	-	(1,46,567)	(17,52,715)	-
Adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>1,45,84,961</b>	<b>17,10,88,071</b>	<b>3,49,76,386</b>	<b>53,71,771</b>	<b>2,36,79,134</b>	<b>7,08,83,022</b>	<b>1,11,67,458</b>	<b>33,17,50,803</b>	<b>-</b>
<b>Accumulated depreciation</b>									
<b>Balance as at 1 April 2018</b>	42,43,653	3,657	2,75,06,732	16,14,693	86,51,177	1,05,69,098	32,65,159	5,58,54,169	-
Adjustments during the year for merger	17,10,563	21,26,911	26,39,837	12,33,871	29,46,022	58,23,806	18,40,163	1,83,21,172	-
Depreciation for the year	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>59,54,216</b>	<b>21,30,569</b>	<b>3,01,46,569</b>	<b>28,48,564</b>	<b>1,15,97,199</b>	<b>1,63,92,904</b>	<b>51,05,322</b>	<b>7,41,75,341</b>	<b>-</b>
Balance as at 1 April 2019	59,54,216	21,30,569	3,01,46,569	28,48,564	1,15,97,199	1,63,92,904	51,05,322	7,41,75,341	-
Depreciation for the year	14,94,038	32,09,787	20,55,385	11,11,279	23,56,031	76,95,834	23,41,708	2,02,64,062	-
Deductions	-	-	-	(8,65,762)	(7,40,387)	-	(1,46,567)	(17,52,715)	-
Adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>74,48,254</b>	<b>53,40,356</b>	<b>3,22,01,954</b>	<b>30,94,080</b>	<b>1,32,12,843</b>	<b>2,40,88,738</b>	<b>73,00,463</b>	<b>9,26,86,688</b>	<b>-</b>
<b>Carrying amounts (net)</b>									
Balance as at 1 April 2018	88,08,120	1,65,764	74,69,654	31,75,776	1,55,66,664	68,77,490	32,84,784	4,53,48,252	16,42,85,348
Balance as at 31 March 2019	86,30,745	16,89,57,502	48,29,817	28,80,644	1,27,95,118	5,44,90,118	38,47,587	25,64,31,332	-
<b>Balance as at 31 March 2020</b>	<b>71,36,707</b>	<b>16,57,47,715</b>	<b>27,74,432</b>	<b>22,77,691</b>	<b>1,04,66,291</b>	<b>4,67,94,284</b>	<b>38,66,995</b>	<b>23,90,64,115</b>	<b>-</b>





# Piramal Corporate Services Private Limited (Formerly, Nicholas Piramal Pharma Private Limited)

Notes to the financial statements (continued)  
for the year ended 31 March 2020

(In Rs.)

## 4 Intangible assets

### Reconciliation of carrying amount

	Goodwill	Total
<b>Deemed cost [Refer Note given below]</b>		
<b>Balance as at 1 April 2018</b>	16,30,79,99,725	16,30,79,99,725
Additions/ Adjustments	-	-
Deductions	-	-
<b>Balance as at 31 March 2019</b>	<b>16,30,79,99,725</b>	<b>16,30,79,99,725</b>
Balance as at 1 April 2019	16,30,79,99,725	16,30,79,99,725
Additions/ Adjustments	-	-
Deductions	-	-
<b>Balance as at 31 March 2020</b>	<b>16,30,79,99,725</b>	<b>16,30,79,99,725</b>
<b>Accumulated amortisation</b>		
<b>Balance as at 1 April 2018</b>	-	-
Depreciation for the year	-	-
Deductions	-	-
<b>Balance as at 31 March 2019</b>	-	-
Balance as at 1 April 2019	-	-
Depreciation for the year	-	-
Deductions	-	-
<b>Balance as at 31 March 2020</b>	-	-
<b>Carrying amounts (net)</b>		
Balance as at 1 April 2018	16,30,79,99,725	16,30,79,99,725
Balance as at 31 March 2019	16,30,79,99,725	16,30,79,99,725
<b>Balance as at 31 March 2020</b>	<b>16,30,79,99,725</b>	<b>16,30,79,99,725</b>

### Note :

Goodwill is recognised in the books due to the scheme of merger which was effective from 1st February 2018.



**Piramal Corporate Services Private Limited**  
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Notes to the financial statements *(continued)*  
for the year ended 31 March 2020

**5 Right-to-use**

(In Rs.)

Particulars	Right to Use Assets
<b>Carrying cost As at April 1, 2018</b>	-
Additions	-
Disposals	-
<b>Carrying cost As at March 31, 2019</b>	-
Additions	31,77,955
Disposals	-
<b>Carrying cost As at March 31, 2020</b>	<b>31,77,955</b>
<b>Particulars</b>	<b>Right to Use Assets</b>
<b>Accumulated amortisation and impairment As at April 1, 2018</b>	-
Amortisation charge during the year	-
Disposals	-
<b>Accumulated amortisation and impairment As at March 31, 2019</b>	-
Amortisation charge during the year	8,37,302
Disposals	-
<b>Accumulated amortisation and impairment As at March 31, 2020</b>	<b>8,37,302</b>
<b>Net carrying amount as at March 31, 2018</b>	-
<b>Net carrying amount as at March 31, 2019</b>	-
<b>Net carrying amount as at March 31, 2020</b>	<b>23,40,653</b>

**6 Intangible assets under development**

Particulars	Amount
<b>Balance as at 1 April 2018</b>	-
Additions/ Adjustments	-
Deductions	-
<b>Balance as at 31 March 2019</b>	-
Balance as at 1 April 2019	-
Additions/ Adjustments	2,38,72,222
Deductions	-
<b>Balance as at 31 March 2020</b>	<b>2,38,72,222</b>



**Piramal Corporate Services Private Limited**  
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**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

(In Rs.)

**7 Investment in equity accounted investees**

See accounting policies in Notes 2.1(f)

Particulars	31 March 2020	31 March 2019
<b>Interest in associates</b>		
25,000 (31st March 2019: 25,000) equity shares of Eco Friendly Corpack Private Limited	12,96,939	13,42,421
25,000 (31st March 2019: 25,000) equity shares of India Polo Promotion Foundation	4,737	10,406
23,000 (31st March 2019: 23,000) equity shares of Samir Chinai Associates Pvt Ltd	24,51,932	24,75,663
<b>Total</b>	<b>37,53,608</b>	<b>38,28,489</b>

The Company has no material associates as at March 31, 2020. The aggregate summarized financial information in respect of the Company's immaterial associates that are accounted for using the equity method is set forth below

Particulars	31 March 2020	31 March 2019
Carrying amount of interests in associates	37,53,608	38,28,489
– Share in profit	(74,881)	(90,911)
– Share in other comprehensive income	-	-
– Share in total comprehensive income	(74,881)	(90,911)

**8 Investments (Non- current)**

Particulars	31 March 2020	31 March 2019
<b>Investment in equity instruments (fully paid-up)</b>		
<b>Quoted (at Fair Value through OCI) (FVOCI)</b>		
700 (31st March 2019: 700) equity shares of Crompton Greaves Consumers Limited	1,46,090	1,59,040
<b>Investment in equity instruments (fully paid-up)</b>		
<b>Unquoted (at FVOCI)</b>		
18,000 (31st March 2019: 18,000) equity shares of Ansa Decoglass Pvt. Ltd.	-	5,98,17,075
7,76,120 (31st March 2019: 10,26,120) equity shares of Ansapack Private Limited	-	6,22,92,661
7,77,153 (31st March 2019: 7,77,153) equity shares of Millennium Broadcast Company Pvt. Ltd.	-	1
1,00,00,000 (31st March 2019: 1,00,00,000) equity shares of Utoo Cabs Limited	1	1
1 (31st March 2019: 1) equity shares of Kosamba Glass Deco Private Limited	-	273
<b>Investment in preference shares (Fully paid-up)</b>		
<b>Unquoted (at FVTPL)</b>		
6808 (31st March 2019: 6808) 1% Redeemable Non.Cumulative Preference share in Alpex Holdings Private Limited	1	1
10,000 (31st March 2019: 10,000) of 0.1% Redeemable Non.Cumulative Optionally Convertible Preference share in Alpex Holdings Private Limited	1	1
15,200 (31st March 2019: 15,200) 0.1% Redeemable Non.Cumulative Optionally Convertible Preference share in Alpex Holdings Private Limited	1	1
6,670 (31st March 2019: 6,670) 0.01% Redeemable Non.Cumulative Preference share in Alpex Holdings Private Limited	1	1
60,000 (31st March 2019: 60,000) 0% Optionally Convertible Preference share in Advent Fiscal Pvt. Ltd.	4,40,94,858	4,00,75,768
45,000 (31st March 2019: 45,000) 0% Optionally Convertible Preference share in Nifty Portfolio Services Pvt. Ltd.	3,30,71,143	3,00,56,826
2,50,000 (31st March 2019: 2,50,000) Investment in 6% Non-Cumulative Redeemable Preference shares of Alpex Holdings Pvt. Ltd	6,25,00,00,000	6,25,00,00,000



**Piramal Corporate Services Private Limited**  
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Notes to the financial statements (continued)  
for the year ended 31 March 2020

(In Rs.)

**8 Investments (Non- current) (continued)**

Particulars	31 March 2020	31 March 2019
<b>Investment in Equity shares</b>		
<b>Quoted (at FVTPL)</b>		
374,500 (31st March 2019: 374,500) Electric Control Gear (India) Ltd.	1	1
10 (31st March 2019: 10) Hindustan Unilever Ltd.	22,982	17,078
5,750 (31st March 2019: 5,750) Integra Garments & Textile Ltd.	1	1
739 (31st March 2019: 739) Omnitax Industries Ltd.	1	1
10,000 (31st March 2019: 10,000) Globsyn Technologies Ltd.	1	1
1,739 (31st March 2019: 1,739) Secure Earthe Technologies Ltd.	1	1
12 (31st March 2019: 12) Reliance Capital Ltd.	54	2,450
12 (31st March 2019: 12) Reliance Home Finance Ltd.	9	344
254 (31st March 2019: 254) Reliance Communications Ltd.	168	1,052
19 (31st March 2019: 19) Reliance Infrastructure Ltd.	192	2,597
63 (31st March 2019: 63) Reliance Power Ltd.	77	716
<b>Total</b>	<b>6,32,73,35,583</b>	<b>6,44,24,25,902</b>
Aggregate amount of quoted investments	1,69,576	1,83,282
Aggregate amount of unquoted investments	6,32,71,66,007	6,44,22,42,620
Aggregate market value of quoted investments	1,69,576	1,83,282

**9 Other financial assets (Non-current)**

Particulars	31 March 2020	31 March 2019
NSC Certificate	35,000	35,000
Security deposits	21,35,086	21,35,086
<b>Total</b>	<b>21,70,086</b>	<b>21,70,086</b>

**10 Non-current tax assets (net)**

Particulars	31 March 2020	31 March 2019
Advance tax and tax deducted at source (net of provision for tax)	11,86,40,098	17,39,10,193
<b>Total</b>	<b>11,86,40,098</b>	<b>17,39,10,193</b>

**11 Other Non Current assets**

Particulars	31 March 2020	31 March 2019
<b>Advances:</b>		
Unsecured and Considered Good	-	-
Considered Doubtful	3,32,49,554	3,32,49,554
	<b>3,32,49,554</b>	<b>3,32,49,554</b>
Less: Provision for doubtful advances	(3,32,49,554)	(3,32,49,554)
	-	-
Other non-current asset	229	-
<b>Total</b>	<b>229</b>	<b>-</b>





**Piramal Corporate Services Private Limited**  
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Notes to the financial statements (continued)  
for the year ended 31 March 2020

(In Rs.)

**12 Inventories (measured at lower of cost and net realisable value)**

Particulars	31 March 2020	31 March 2019
Raw materials	2,64,67,533	2,73,94,775
Stock-in-trade	7,62,162	6,50,933
Total	2,72,29,695	2,80,45,708

**13 Investments (Current)**

Particulars	31 March 2020	31 March 2019
<b>Investment in equity instruments (fully paid up)</b>		
<b>Quoted (at FVTPL)</b>		
50 Shares (31st March, 2019: 50) Pilani Investments and Industries Corporation Ltd.	56,186	1,08,375
<b>Investment in preference shares (fully paid up)</b>		
<b>Unquoted (at FVTPL)</b>		
3,20,000 (31st March 2019: Nil) 4% Redeemable Non-cumulative Preference Share in Emblem Holdings Private Limited	32,00,00,000	-
<b>Investment in Mutual Funds</b>		
0.920 Units (31st March, 2019: 0.792 Units) Nippon India Mutual Fund	920	792
26323.799 Units (31st March, 2019: 28255.029 Units) of Nippon India Liquid Fund - Growth Plan - Growth Option	12,69,46,748	12,82,55,521
<b>Investment in Others</b>		
809.6045 Units** (31st March, 2019: 809.6045 Units) of INDIAREIT Fund Scheme I	3,63,553	1,27,375
1398.09060 Units** (31st March, 2019: 1662.9370 Units) of IndiaVenture Trust - Fund I	2,24,03,347	3,43,29,823
307.3874 Units (31st March, 2019: 307.3874 Units) of IndiaVenture Trust - Fund II	3,25,31,854	1,42,76,153
Total	50,23,02,608	17,70,98,038

\*\*Units are subject to change as per transactions executed at Fund level

Aggregate amount of quoted investments	56,186	1,08,375
Aggregate amount of unquoted investments	50,22,46,422	17,69,89,663
Aggregate market value of quoted investments	56,186	1,08,375

**14 Trade receivables**

Particulars	31 March 2020	31 March 2019
<b>Unsecured</b>		
Considered good	22,98,15,973	45,71,07,725
Credit impaired	8,64,216	3,56,48,558
	23,06,80,189	49,27,56,283
Less: Provision for expected credit losses	-	-
Total	23,06,80,189	49,27,56,283

**15 Cash and cash equivalents**

Particulars	31 March 2020	31 March 2019
Balance with banks:		
- In current accounts	4,36,36,427	6,56,46,625
Cash on Hand	1,73,247	1,39,785
Total	4,38,09,674	6,57,86,410



**Piramal Corporate Services Private Limited**  
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Notes to the financial statements (continued)  
for the year ended 31 March 2020

(In Rs.)

**16 Other bank balances**

Particulars	31 March 2020	31 March 2019
Unpaid Dividend account*	48,176	50,865
Total	48,176	50,865

\*The group can utilise balances only towards settlement of the unpaid dividend.

**17 Loans (Current)**

Particulars	31 March 2020	31 March 2019
Loans and advances to related party		
Unsecured, considered good	1,13,54,43,979	1,33,71,68,675
Unsecured, considered doubtful	1,61,10,219	82,10,350
	1,15,15,54,198	1,34,53,79,025
Less: expected credit loss	(1,61,10,219)	(82,10,350)
	1,13,54,43,979	1,33,71,68,675
Security Deposit	14,40,184	12,28,503
Loans to employees	-	5,888
Total	1,13,68,84,163	1,33,84,03,066

**18 Other financial assets (Current)**

Particulars	31 March 2020	31 March 2019
Interest receivable	4,84,08,878	-
Other receivables	34,32,871	18,000
Deposits		
Unsecured Considered Good	14,78,896	17,24,196
Total	5,33,20,645	17,42,196

**19 Current tax assets (net)**

Particulars	31 March 2020	31 March 2019
Advance tax and tax deducted at source (net of provision for tax)	41,29,38,070	26,67,50,935
Total	41,29,38,070	26,67,50,935

**20 Other Current assets**

Particulars	31 March 2020	31 March 2019
Prepaid expenses	18,29,985	6,65,018
Balance with government authorities	5,18,82,705	15,07,24,356
Advances to vendors	19,65,035	-
Advance for gratuity	2,92,577	60,64,699
Others current assets	48,41,129	6,04,629
Total	6,08,11,431	15,80,58,702



# Piramal Corporate Services Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2020

(In Rs.)

## 21 Equity share capital

Particulars	31 March 2020	31 March 2019
<b>Authorised Share capital</b>		
1,758,160,000 (31 March 2019: 1,758,160,000) equity shares of Rs. 10 each	17,58,16,00,000	17,58,16,00,000
3,440,000 (31 March 2019: 3,440,000) preference shares of Rs. 10 each	3,44,00,000	3,44,00,000
<b>Issued, Subscribed and Paid up capital</b>		
1,753,790,892 (31 March 2019: 1,753,790,892) equity shares of Rs. 10 each	17,53,79,08,920	17,53,79,08,920

All issued shares are fully paid up.

### Reconciliation of share outstanding at the beginning and at the end of the year

Particulars	31 March 2020		31 March 2019	
	Numbers	Amount	Numbers	Amount
At the beginning and at the end of the year	1,75,37,90,892	17,53,79,08,920	1,75,37,90,892	17,53,79,08,920

### Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### Details of Share holders holding more than 5% of Shares

Name of shareholder	31 March 2020		31 March 2019	
	No. of Shares	% holding	No. of Shares	% holding
The Sri Govinda Trust	1,62,20,50,731	92.49%	1,62,20,50,731	92.49%
The Sri Krishna Trust	1,31,74,016	7.51%	1,31,74,016	7.51%

There are no shares allotted either as fully paid up by way of bonus shares or under any contract without payment received in cash during 5 years immediately preceding 31 March 2020.

## 22 Other equity\*

Particulars	31 March 2020	31 March 2019
Capital Reserve	Refer Note (i) below	1,58,34,880
Capital Reserve on Consolidation	Refer Note (ii) below	8,04,23,672
Capital Redemption reserve	Refer Note (iii) below	10,450
Reserve fund u/f 45-IC(1) of RBI Act, 1934	Refer Note (iv) below	6,83,19,325
General reserve	Refer Note (v) below	6,18,52,55,112
Retained earnings		15,27,55,808
<b>Other Comprehensive Income</b>		(78,92,59,084)
Equity investments	Refer Note (vi) below	10,98,79,935
Actuarial gains and losses		39,51,478
<b>Total</b>	<b>6,61,64,30,661</b>	<b>5,63,59,05,384</b>

\* For movement of reserves, refer statement of changes in equity

### Nature of reserves

#### (i) Capital Reserve

Capital reserve is created in past business combinations.

#### (ii) Capital Reserve on Consolidation

Capital Reserve on Consolidation is created on consolidation of its subsidiaries with the company. Also goodwill on common control transactions is adjusted against capital reserve.

#### (iii) Capital Redemption Reserve

Capital reserve is created in past business combinations.

#### (iv) Reserve fund u/f 45-IC(1) of RBI 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, being 20% of profit after tax computed.

#### (v) General Reserve

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 a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

#### (vi) OCI - Equity investments

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.



**Piramal Corporate Services Private Limited**  
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Notes to the financial statements (continued)  
for the year ended 31 March 2020

(In Rs.)

**23 Non-current borrowings**

Particulars	31 March 2020	31 March 2019
<b>Unsecured</b>		
Long term maturities (Refer note 23 (i) below)	50,98,52,426	1,45,27,51,954
<b>Total</b>	<b>50,98,52,426</b>	<b>1,45,27,51,954</b>

**23 (i) Details of borrowings:**

Borrowings	Interest rate	Repayment terms	Maturity date	Security details
Unsecured - term loan from financial institutions	11.40%	For interest- Quarterly For principal - 13th, 25th and 37th month equal repayment	37 months	Nil

**24 Lease liabilities (Non-current)**

Particulars	31 March 2020	31 March 2019
Lease liabilities (Refer note no. 45)	15,36,913	-
<b>Total</b>	<b>15,36,913</b>	<b>-</b>

**25 Other financial liabilities (Non-current)**

Particulars	31 March 2020	31 March 2019
15% Non-Cumulative Preference shares	100	60
6% Cumulative redeemable Preference Shares	10,97,10,000	10,97,10,000
<b>Total</b>	<b>10,97,10,100</b>	<b>10,97,10,060</b>

**26 Provisions (Non-current)**

Particulars	31 March 2020	31 March 2019
<u>Provision for employee benefits</u>		
- Provision for leave entitlement	2,49,72,067	2,02,94,081
<b>Total</b>	<b>2,49,72,067</b>	<b>2,02,94,081</b>

**28 Current borrowings**

Particulars	31 March 2020	31 March 2019
<b>Unsecured loans</b>		
From related parties*	-	7,13,49,999
From others		
- From Body Corporates**	21,65,15,112	-
<b>Total</b>	<b>21,65,15,112</b>	<b>7,13,49,999</b>

**Note:**

\*Unsecured Loan includes loans from related parties are repayable on demand

\*\*Loan from body corporates carried interest rate of 11% p.a. repayable on demand





# Piramal Corporate Services Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2020

(In Rs.)

## 27 Deferred tax liabilities (net)

Particulars	31 March 2020	31 March 2019
Deferred tax liabilities (net) (refer movement in deferred tax liabilities)	(55,89,893)	57,39,88,599
<b>Total</b>	<b>(55,89,893)</b>	<b>57,39,88,599</b>

### (i) Movements in deferred tax liabilities (net)

Particulars	Balance as at 1 April 2019	Recognised in profit or loss	Recognised in OCI	MAT Credit Adjustments	Balance as at 31 March 2020
<b>Deferred tax liability</b>					
Difference between WDV of property, plant and equipment and goodwill as per books and income tax	2,43,45,07,608	(28,62,58,046)	-	-	2,14,82,49,562
Financial asset measured at amortised cost	-	22,69,567	-	-	22,69,567
Financial asset measured through FVTPL	-	5,803	(2,75,58,210)	-	33,633
Financial asset measured through FVOCI	2,75,86,040	(1,06,739)	-	-	-
Premium on redemption of preference shares	1,06,739	26,425	-	-	26,425
Others	-	-	-	-	-
<b>Deferred tax assets</b>					
Financial asset measured at amortised cost	1,17,478	(1,17,080)	-	-	398
Financial asset measured through FVTPL	11,43,74,917	(2,82,00,289)	-	-	8,61,74,628
Premium on redemption of preference shares	-	1,68,677	-	-	1,68,677
Financial asset measured through FVOCI	-	-	-	-	-
Minimum Alternate Tax (MAT) credit entitlement	35,76,623	-	-	11,40,71,000	11,76,47,623
Unabsorbed Business Losses	1,72,52,44,991	18,26,53,934	-	-	1,90,78,98,926
Merger Expenses u/s 35DD	40,04,595	39,09,691	-	-	79,14,286
Employees benefit	83,23,183	(9,98,640)	-	-	73,24,543
Provisions for Doubtful debts	3,25,70,000	(35,30,000)	-	-	2,90,40,000
<b>Total</b>	<b>57,39,88,599</b>	<b>(43,79,49,283)</b>	<b>(2,75,58,210)</b>	<b>(11,40,71,000)</b>	<b>(55,89,893)</b>

Particulars	Balance as at 1 April 2018	Recognised in profit or loss	Recognised in OCI	MAT Credit Adjustments	Balance as at 31 March 2019
<b>Deferred tax liability</b>					
Difference between WDV of property, plant and equipment and goodwill as	71,17,95,377	1,72,48,70,685	-	-	2,43,66,66,063
Financial asset measured at amortised cost	-	-	-	-	-
Financial asset measured through FVTPL	-	-	-	-	-
Financial asset measured through FVOCI	27,99,453	-	2,47,86,587	-	2,75,86,040
Premium on redemption of preference shares	14,117	92,622	-	-	1,06,739
<b>Deferred tax assets</b>					
Financial asset measured at amortised cost	-	1,17,478	-	-	1,17,478
Financial asset measured through FVTPL	(3,41,373)	11,47,16,289	-	-	11,43,74,917
Financial asset measured through FVOCI	-	-	-	-	-
Minimum Alternate Tax (MAT) credit entitlement	1,28,288	-	-	34,48,335	35,76,623
Brought forward Losses	34,48,335	1,72,52,44,991	-	-	1,72,52,44,991
Others	1,44,86,233	3,25,70,000	-	-	4,70,56,233
<b>Total</b>	<b>69,68,87,464</b>	<b>(14,76,85,451)</b>	<b>2,47,86,587</b>	<b>(34,48,335)</b>	<b>57,39,88,599</b>

### (ii) Income tax expense / (income) recognised in Statement of Profit and Loss

Particulars	31 March 2020	31 March 2019
<b>Current tax</b>		
Current tax on profit for the year	11,40,71,000	22,93,306
Short/Excess provision of tax relating to earlier years	(5,33,55,404)	-
<b>Deferred tax</b>		
Attributable to Origination and reversal of temporary differences	(43,79,49,283)	(14,76,85,451)
MAT Credit Entitlement	(11,40,71,000)	-
<b>Total</b>	<b>(49,13,04,687)</b>	<b>(14,53,92,145)</b>

### Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

Particulars	31 March 2020	31 March 2019
Profit before income tax expense	45,10,28,444	(39,11,80,162)
Tax at the Indian tax rate 15.60% (Previous Year - 31.20%)	7,03,60,437	-
<b>Add: Items giving rise to difference in tax</b>		
Income Tax for earlier years	(5,33,55,404)	-
Others	(50,83,09,720)	(14,53,92,145)
<b>Income Tax Expenses</b>	<b>(49,13,04,687)</b>	<b>(14,53,92,145)</b>



**Piramal Corporate Services Private Limited**  
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Notes to the financial statements (continued)  
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(In Rs.)

**29 Trade payables**

Particulars	31 March 2020	31 March 2019
<b>Total outstanding</b>		
Dues of Micro enterprises and small enterprises	4,400	-
Dues other than micro enterprises and small enterprises	3,30,33,539	2,27,31,287
<b>Total</b>	<b>3,30,37,939</b>	<b>2,27,31,287</b>

Micro and Small enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

Particulars	31 March 2020	31 March 2019
(a) Dues remaining unpaid		
- Principal	4,400	-
- Interest on above*	-	-
(b) Interest paid in terms of Section 16 of MSMED Act		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and unpaid*	-	-

\* The Company has not provided any interest on the amount outstanding beyond stipulated period in previous year.

**30 Lease liabilities (Current)**

Particulars	31 March 2020	31 March 2019
Lease liabilities (Refer note no. 45)	9,05,375	-
<b>Total</b>	<b>9,05,375</b>	<b>-</b>

**31 Other financial liabilities (Current)**

Particulars	31 March 2020	31 March 2019
Current maturities of long term debts {Refer Note No. 23(i)}	21,75,90,104	-
Interest accrued but not due	42,16,439	29,51,507
Interest accrued and due	-	2,35,31,906
Employee benefits payable	-	2,97,18,068
Other financial Liabilities	38,85,517	66,34,933
<b>Total</b>	<b>22,56,92,060</b>	<b>6,28,36,414</b>

**32 Provisions (Current)**

Particulars	Note	31 March 2020	31 March 2019
<u>Provision for employee benefits</u>	47		
- Provision for gratuity		18,11,548	-
- Provision for leave entitlement		24,20,747	63,82,788
Provision for other liabilities		12,91,52,906	12,85,80,551
<b>Total</b>		<b>13,33,85,201</b>	<b>13,49,63,339</b>

**33 Other liabilities (Current)**

Particulars	31 March 2020	31 March 2019
Customer advances	1,94,24,291	3,09,41,347
Security Deposit	39,85,500	39,92,750
Unpaid dividend	48,176	50,865
Statutory liability	6,20,48,824	5,71,27,297
Others current liabilities	33,37,298	9,05,833
<b>Total</b>	<b>8,88,44,089</b>	<b>9,30,18,092</b>



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Notes to the financial statements (continued)  
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(In Rs.)

**34 Revenue from operations**

Particulars	31 March 2020	31 March 2019
<b>Revenue from contract with customers</b>		
<b>Sale of services</b>		
Royalty and Corporate Service Charges	83,17,44,260	70,18,88,360
License Fees Received	92,06,855	41,37,097
Other Services	8,27,97,215	2,30,58,962
<b>Sale of goods</b>		
From Manufacturing Activity	6,55,79,539	10,34,08,370
From Trading Activity	25,872	7,66,867
<b>Other operating revenue</b>		
Interest Income:		
on loans to related parties	-	30,81,487
on loans to employees	2,795	6,000
from others	24,09,93,518	1,14,38,250
Gain on sale of Investments classified as FVTPL	73,34,095	-
Profit on sale of investments	3,57,132	29,01,910
<b>Total</b>	<b>1,23,80,41,281</b>	<b>85,06,87,303</b>

**35 Other income**

Particulars	31 March 2020	31 March 2019
Gain on sale of Investments classified as FVTPL	8,65,25,140	4,00,68,353
Gain on foreign currency transaction and translation (Net)	5,42,260	13,84,931
Write back off expenses	21,23,506	1,56,86,240
Liabilities no longer payable written back	2,248	6,48,257
Profit on sale of investments	2,25,14,158	-
Long Term Capital Gain on Investments	-	-
Dividend Income	1,640	120
Interest Income on Fixed Deposit	7,162	11,843
Interest on Income Tax Refund	-	21,161
Interest on Others	1,70,38,812	4,12,93,560
Other Income	2,85,992	9,43,518
<b>Total</b>	<b>12,90,40,918</b>	<b>10,00,57,983</b>

**36 (a) Cost of materials consumed**

Particulars	31 March 2020	31 March 2019
<b>Raw material consumed</b>		
Inventory of materials at the beginning of the year	2,73,94,775	1,78,87,429
Add: Purchases during the year	3,97,44,829	4,75,36,102
Less: Inventory of materials at the end of the year	2,64,67,533	2,73,94,775
<b>Total</b>	<b>4,06,72,071</b>	<b>3,80,28,756</b>



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**Notes to the financial statements (continued)**  
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(In Rs.)

**(b) Purchases of stock in trade**

Particulars	31 March 2020	31 March 2019
Caps & Brushes	10,46,492	2,50,800
<b>Total</b>	<b>10,46,492</b>	<b>2,50,800</b>

**37 Changes in inventories of finished goods, semi finished goods and stock-in-trade**

Particulars	31 March 2020	31 March 2019
<b>Inventory at the beginning of the year</b>		
Finished goods	6,50,933	4,65,608
	<b>6,50,933</b>	<b>4,65,608</b>
<b>Inventory at the end of the year</b>		
Finished goods	7,62,162	6,50,933
	<b>7,62,162</b>	<b>6,50,933</b>
<b>Total</b>	<b>(1,11,231)</b>	<b>(1,85,325)</b>

**38 Employee benefits expense**

Particulars	31 March 2020	31 March 2019
Salaries, wages and bonus	21,91,87,422	19,75,87,029
Contribution to provident and other funds	47 1,37,63,480	1,05,62,370
Staff welfare expenses	49,99,407	35,63,475
<b>Total</b>	<b>23,79,50,309</b>	<b>21,17,12,874</b>

**39 Finance costs**

Particulars	31 March 2020	31 March 2019
Interest on borrowings	21,77,38,852	2,49,34,892
Premium on redemption of preference shares	49	-
Interest on Lease Liabilities	2,56,272	-
<b>Total</b>	<b>21,79,95,173</b>	<b>2,49,34,892</b>

**40 Depreciation and amortisation expense**

Particulars	Note	31 March 2020	31 March 2019
Depreciation on property, plant and equipment	3	2,02,64,062	1,83,21,172
Depreciation on leased asset	5	8,37,302	-
<b>Total</b>		<b>2,11,01,364</b>	<b>1,83,21,172</b>





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**Notes to the financial statements (continued)**  
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**41 Other expenses**

(In Rs.)

Particulars	31 March 2020	31 March 2019
Power and fuel	39,51,015	36,01,058
Electricity Charges	13,58,846	11,53,213
Consumption of stores and spare parts	63,25,695	31,41,757
Freight	9,69,309	7,68,988
Borewell Expense	25,89,958	19,37,720
Connection Expense	1,19,872	3,02,074
Loading & Unloading Expense	1,79,410	1,49,915
Launch Expense	26,36,738	21,82,401
Tool expense	12,410	666
SMS Cost	40,92,562	29,94,824
Rent	2,82,77,238	2,70,30,316
Repairs - Buildings	27,99,228	23,36,999
- Plant & Machinery	7,37,540	11,31,134
- Others	-	7,18,022
Rates and taxes	69,11,163	2,51,61,647
Insurance	20,95,242	23,48,055
Travelling expense	4,69,08,813	4,36,93,224
Financial assets measured at FVTPL	52,946	40,49,67,882
Loss on sale of Investments	6,57,98,411	-
Business Promotion Expenses	1,15,50,750	1,38,56,502
Bank charges	41,664	12,367
Amalgamation expenses	-	2,56,06,516
Legal and professional fees	9,27,14,072	11,98,31,883
Printing, stationery and communications expenses	40,71,355	55,27,561
Donation expenses	1,70,12,594	17,49,43,873
Foundation Work Expense	48,65,167	28,11,333
Security charges	2,15,64,054	48,75,017
Auditors' remuneration (refer note (i) below)	8,67,000	7,28,940
Labour expense	9,59,870	4,37,730
Laboratory Expense	9,30,680	7,15,561
Provision for expected credit loss	-	5,24,320
Office Expenses	54,68,398	41,34,317
Research and Development expense	70,485	5,46,132
Listing Fees	3,00,000	-
Brokerage charges	-	7,50,000
Payment to contractors	3,99,27,607	6,63,05,937
Rechargeable Pit Expense	60,66,624	10,37,250
Packing charges	75,500	61,446
Provision for Doubtful Loan & Interest	78,99,869	9,64,85,035
Membership subscription	24,14,661	18,90,117
Corporate social responsibility expenditure	3,00,000	10,00,000
Miscellaneous expenses	44,82,831	31,60,548
<b>Total</b>	<b>39,73,99,577</b>	<b>1,04,88,62,280</b>



**Piramal Corporate Services Private Limited**  
**(Formerly, Nicholas Piramal Pharma Private Limited)**

**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

(In Rs.)

**Note :**

**i Payment to Statutory Auditors**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Payment to auditors (exclusive of goods and service tax)</b>		
- as auditor		
- Statutory audit	8,17,000	7,28,940
- Tax audit	50,000	-
- Other services	-	-
- Reimbursement of expenses	-	-
<b>Total</b>	<b>8,67,000</b>	<b>7,28,940</b>



# Piramal Corporate Services Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2020

(In Rs.)

## 42 Non-controlling interests (continued)

See accounting policies in Notes 2.1(f)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations

31-Mar-20 The Swastik Safe Deposit & Investments Limited			
NCI percentage	25.61%	Intra-group eliminations	Total
Non-current assets	6,25,91,92,165		6,25,91,92,165
Current assets	14,74,67,715		14,74,67,715
Non-current liabilities	8,88,142		8,88,142
Current liabilities	2,59,410	(83,160)	1,76,250
Net assets	6,40,55,12,327	83,160	6,40,55,95,487
Net assets attributable to NCI	1,64,04,51,707	21,297	1,64,04,73,004

31-Mar-19 The Swastik Safe Deposit & Investments Limited			
NCI percentage	25.61%	Intra-group eliminations	Total
Non-current assets	6,25,92,25,396		6,25,92,25,396
Current assets	12,91,08,622		12,91,08,622
Non-current liabilities	(7,940)		(7,940)
Current liabilities	(1,67,94,063)	(1,02,478)	(1,68,96,541)
Net assets	6,40,51,36,021	1,02,478	6,40,52,38,499
Net assets attributable to NCI	1,64,03,55,335	26,245	1,64,03,81,580

Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates for the year ended March 31, 2020

	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
<b>Parent</b>								
Piramal Corporate Services Private Limited	73.78%	17,84,42,68,249	105.50%	99,38,78,097	105.64%	4,05,42,816	105.50%	1,03,44,20,913
<b>Subsidiaries (parent's share)</b>								
Piramal Sons Private Limited	-0.45%	(10,99,92,719)	0.58%	54,64,047	0.00%	-	0.56%	54,64,047
Piramal Waters Private Limited	0.18%	4,43,79,827	-6%	(5,77,51,177)	-5.64%	(21,65,465)	-6.11%	(5,99,16,642)
The Swastik Safe Deposit & Investments Limited	26.49%	6,40,55,12,328	0.08%	7,42,165	0.00%	-	0.08%	7,42,165
<b>Adjustments arising out of consolidation</b>	100%	24,18,41,67,685 (2,98,28,105)	100%	94,23,33,132	100%	3,83,77,351	100%	98,07,10,483
<b>Share of Profit/(Loss) in Associate</b>								
Eco Friendly Corpack Private Limited	-	-	-	(45,481)	-	-	-	(45,481)
India Polo Promotion Foundation	-	-	-	(5,669)	-	-	-	(5,669)
Samir Chinai Associates Pvt Ltd	-	-	-	(23,731)	-	-	-	(23,731)
<b>Non Controlling Interest</b>								
The Swastik Safe Deposit & Investments Limited	-	-	-	(1,70,349)	-	-	-	(1,70,349)
<b>Consolidated Net Assets / Profit after tax / OCI / TCI</b>		24,15,43,39,580		94,20,87,902		3,83,77,351		98,04,65,253

Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates for the year ended March 31, 2019

	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
<b>Parent</b>								
Piramal Corporate Services Private Limited	72.18%	16,72,79,29,793	46.10%	(11,33,09,133)	99.74%	5,05,36,588	32.17%	(6,27,72,546)
<b>Subsidiaries (parent's share)</b>								
Piramal Sons Private Limited	-0.35%	(8,03,93,810)	8.88%	(2,18,36,363)	0.00%	-	11.19%	(2,18,36,363)
Piramal Waters Private Limited	0.52%	12,11,42,301	48.15%	(11,83,53,486)	0.26%	1,29,292	60.59%	(11,82,24,194)
The Swastik Safe Deposit & Investments Limited	27.64%	6,40,51,36,021	-3.14%	77,10,966	0.00%	-	-3.95%	77,10,966



**Piramal Corporate Services Private Limited**  
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Notes to the financial statements (continued)  
for the year ended 31 March 2020

(In Rs.)

**43 Contingent liabilities and Commitments**

**(i) Contingent liabilities**

Particulars	31 March 2020	31 March 2019
Claims against the Company not acknowledged as debts:		
- Income tax matters in dispute	9,49,15,162	8,90,03,861
- Disputed demand of Service Tax liability	53,57,640	40,39,508
- Disputed demand of VAT liability	6,27,92,592	2,19,15,201
<b>Total</b>	<b>16,30,65,394</b>	<b>11,49,58,570</b>

**44 Segment reporting**

**A. Basis for segmentation**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by Directors to make decisions about resources to be allocated to the segments and assess their performance.

The Group has three reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, Directors reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

Reportable segments	Operations
Sale of services	Providing royalty and corporate services to related parties, AMC services for units installed
Income from Financial Services	Interest income from loans and advances
Sale of goods	Sale of water purifiers and water ATM's to various customers

**B. Year ended 31 March 2020**

	Sale of Services	Income from Financial Services	Sale of goods	Total reportable segments
<b>Segment revenue:</b>				
- External Revenues	92,36,71,330	24,86,87,541	6,56,05,411	1,23,79,64,281
- Inter- segment revenues	77,000	-	-	77,000
<b>Total Segment revenue</b>	<b>92,37,48,330</b>	<b>24,86,87,541</b>	<b>6,56,05,411</b>	<b>1,23,80,41,281</b>
<b>Segment results</b>	<b>39,34,49,239</b>	<b>2,45,31,895</b>	<b>(9,59,93,608)</b>	<b>32,19,87,526</b>
Add: Unallocated Income	-	-	-	<b>12,90,40,918</b>
Profit before tax				<b>45,10,28,444</b>
Share of profit (loss) of equity accounted investees				(74,881)
Less: Tax Expenses				<b>(49,13,04,687)</b>
Profit after tax				<b>94,22,58,250</b>

**Other Information**

Segment assets	17,12,40,26,619	7,97,70,64,012	39,21,10,339	25,49,32,00,970
Add: Unallocated				55,89,893
				<b>25,49,87,90,863</b>

Segment Liabilities	37,57,45,022	73,16,48,365	23,70,57,895	1,34,44,51,282
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**Year ended 31 March 2019**

	Sale of Services	Income from Financial Services	Sale of goods	Total reportable segments
<b>Segment revenue:</b>				
- External Revenues	72,89,70,555	1,74,27,647	10,41,75,237	85,05,73,439
- Inter- segment revenues	1,13,864	-	-	1,13,864
<b>Total Segment revenue</b>	<b>72,90,84,419</b>	<b>1,74,27,647</b>	<b>10,41,75,237</b>	<b>85,06,87,303</b>
<b>Segment results</b>	<b>(28,66,72,924)</b>	<b>93,41,642</b>	<b>(21,39,06,863)</b>	<b>(49,12,38,145)</b>
Add: Unallocated Income				<b>10,00,57,983</b>
Profit before tax				(39,11,80,161)
Share of profit (loss) of equity accounted investees				(90,911)
Less: Tax Expenses				<b>(14,53,92,145)</b>
Profit after tax				<b>(24,58,78,928)</b>

**Other Information**

Segment assets	18,72,36,76,143	6,40,62,90,513	58,54,91,475	25,71,54,58,131
Segment Liabilities	1,46,68,31,758	11,62,432	49,95,32,748	1,96,75,26,938
Add: Unallocated				57,41,16,888
				<b>2,54,16,43,826</b>





# Piramal Corporate Services Private Limited (Formerly, Nicholas Piramal Pharma Private Limited)

## Notes to the financial statements (continued)

for the year ended 31 March 2020

### C. Information about geographical areas

Revenue attributable to the location of the customers is as follows :

Geographic Location	March 31, 2020	March 31, 2019
India	1,06,65,99,408	69,55,48,034
Rest of World	17,14,41,873	15,51,39,269
<b>Total</b>	<b>1,23,80,41,281</b>	<b>85,06,87,303</b>

### 45 Leases

The group's leasing arrangements are in respect of office premises / warehouse. These leasing arrangements, which is mostly cancellable, range between 11 months to 3 years and are usually renewable by mutual consent at mutually agreed terms & conditions. The aggregate lease rentals of ₹ 2,82,77,238 (Previous Year ₹ 2,70,30,316) are charged as rent and shown under the note no. 41 " Other Expenses".

#### Car Lease Policy:

Effective April 01, 2019, the group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The group's lease asset classes primarily consist of Car Leases.

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

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

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

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

### 46 Earnings per share

Particulars	31 March 2020	31 March 2019
Face value per equity share (in Rs.)	10	10
(a) Profit for the year attributable to equity shareholders	94,22,58,250	(24,57,88,018)
(b) Number of equity shares at the beginning and end of the year	1,75,37,90,892	1,75,37,90,892
(c) Weighted average number of equity shares for calculating basic and diluted earnings per share	1,75,37,90,892	1,75,37,90,892
Earnings per share (in Rs.):		
- Basic and Diluted earnings per share (a/c)	0.54	(0.14)

### 47 Employee benefits

#### A. Defined contribution plan

The Group makes defined contribution to provident and pension fund, employee state insurance scheme and super annuation fund.

#### Amount recognised as expense in the Statement of Profit and Loss

Particulars	31 March 2020	31 March 2019
Employer's contribution to Provident fund and pension scheme	1,36,60,485	78,14,932
Employer's contribution to super annuation fund	1,02,995	2,00,000
	<b>1,37,63,480</b>	<b>80,14,932</b>



**Piramal Corporate Services Private Limited**  
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**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

**47 Employee benefits (Continued)**

**B. Defined Benefit plan**

**(i) Gratuity**

The Group has defined benefit plans for Gratuity to eligible employees. Valuation in respect of gratuity has been carried out by an independent actuary, as at Balance sheet date. The Plan Assets are administered by Kotak Life Insurance as per Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority regulations.

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Group's financial statements :

Particulars	31 March 2020	31 March 2019
<b>Reconciliation of Opening and Closing Balances of defined benefit obligation</b>		
<b>Benefit obligations at the beginning</b>	4,17,07,311	3,87,36,064
Current service cost	43,20,765	32,88,466
Past service cost	-	-
Interest cost	32,49,000	30,40,466
Benefits paid	(71,95,214)	-
Actuarial (Gain)/Loss on Obligation- due to change in Demographic assumptions	(11,23,739)	-
Actuarial (Gain)/Loss on Obligation- due to change in Financial assumptions	4,56,600	1,45,676
Net actuarial loss / (gain) recognised	61,82,545	(35,03,361)
<b>Benefit obligations at the end</b>	<b>4,75,97,268</b>	<b>4,17,07,311</b>
<b>Reconciliation of Opening and Closing Balances of the Fair value of plan assets</b>		
Fair value of plan assets at the beginning	4,60,24,482	4,24,55,934
Interest Income	35,85,307	33,32,494
Expected return on plan assets excluding interest income	18,24,278	2,15,223
Contributions by the employer	18,39,444	20,831
Benefit paid	(71,95,214)	-
<b>Plan assets at the end of the Year</b>	<b>4,60,78,297</b>	<b>4,60,24,482</b>
<b>Reconciliation of fair value of assets and obligation</b>		
Fair value of plan assets as at the end of the year	4,60,78,297	4,39,30,070
Present value of obligation as at the end of the year	3,79,97,734	4,75,77,706
<b>(Liability) / asset recognized in balance sheet</b>	<b>80,80,563</b>	<b>(36,47,636)</b>
Current	80,80,563	(36,47,636)
Non-current	-	-
<b>Net Interest Cost</b>		
Interest Cost	31,21,901	31,99,103
(Interest Income)	(30,89,902)	(35,80,423)
<b>Net Interest Cost for Next Year</b>	<b>31,999</b>	<b>(3,81,320)</b>
<b>Expense recognised in profit or loss</b>		
Current service cost	43,20,765	32,88,466
Interest cost	(3,36,307)	(2,92,028)
	<b>39,84,458</b>	<b>29,96,438</b>
<b>Remeasurements recognised in other comprehensive income</b>		
Actuarial (Gain)/Loss on Obligation for the period	55,15,406	(33,57,685)
Return on plan assets excluding amounts included in interest income	(18,24,278)	(2,15,223)
	<b>36,91,128</b>	<b>(35,72,908)</b>

The expected rate of return on assets is based on the expectation of the average long term rate of return on investment of the fund, during the estimated term of obligation.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.



**Piramal Corporate Services Private Limited**  
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Notes to the financial statements (continued)  
for the year ended 31 March 2020

**47 Employee benefits (Continued)**

Particulars	31 March 2020	31 March 2019
Expected contribution during the next financial year	-	-
Average outstanding term of the obligations (Years)	1.50	1.50
Composition of the plan assets		
Funds managed by insurer	100%	100%

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

Particulars	31 March 2020	31 March 2019
<b>Actuarial assumptions</b>		
<b>[A] Financial assumptions</b>		
Discount Rate (per annum)	6.89%	7.79%
Expected rate of return on plan assets	6.89%	7.79%
Salary growth rate	10.00%	11.00%
<b>[B] Demographic assumptions</b>		
Withdrawal rates	1.00%	1.00%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Expected average remaining working lives of employees (years)	N.A	N.A

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions holding other assumptions constant, would have affected the defined benefit obligation / asset by the amount shown below:

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(14,98,888)	16,13,534	(12,27,519)	13,27,022
Salary growth rate (0.5% movement)	15,69,871	(14,73,485)	12,87,933	(12,04,100)
Attrition rate (0.50% movement)	(2,60,829)	2,74,935	(2,52,746)	2,66,558

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

**(ii) Other long term employee benefits**

**Leave benefits**

The Group has defined benefit plans for leave encashment and compensated absences to eligible employees. Valuation in respect of leave encashment and compensated absences have been carried out by an independent actuary, as at Balance sheet date.

Amount of Rs. 7,15,945 (31 March 2019: Rs. 86,35,377) towards leave benefits is recognised as an expense and included in "Employee benefits expense" in the Statement of Profit and Loss.

Particulars	31 March 2020	31 March 2019
<b>Actuarial assumptions</b>		
<b>[A] Financial assumptions</b>		
Discount Rate (per annum)	6.89%	7.79%
Expected rate of return on plan assets		
Salary growth rate	10.00%	11.00%
<b>[B] Demographic assumptions</b>		
Withdrawal rates	3.00%	1.00%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)



# Piramal Corporate Services Private Limited (Formerly, Nicholas Piramal Pharma Private Limited)

Notes to the financial statements (continued)  
for the year ended 31 March 2020

## 48 Related party transactions

### A. List of related parties

#### (i) Controlling Entities

The Sri Govinda Trust Through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal  
The Sri Krishna Trust Through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal

#### (ii) Associates

India Polo Promotion Foundation  
Eco Friendly Corpack Private Limited  
Samir Chinai Associates Private Limited

#### (iii) Key Management Personnel

Anand Ajay Piramal	Director
Narayan Ananthan	Director
Sunil Adukia	Director

#### (iv) Other related parties

Piramal Enterprises Limited  
Piramal Capital & Housing Finance Limited  
PHL Fininvest Private Limited  
Piramal Fund Management Pvt. Ltd.  
Piramal Critical Care Inc  
Piramal Critical Care GmbH  
Decision Resources LLC  
Piramal Critical Care Italia SPA  
Piramal Healthcare (Canada) Ltd  
Piramal Healthcare (UK) Ltd.  
Piramal Pharma Solutions Inc.  
Piramal Critical Care Ltd. U.K.  
Piramal Critical Care Ltd. BV  
Piramal Critical Care South Africa Pty. Ltd.  
Piramal Critical Care Pty. Ltd.  
PRL Developers Pvt. Ltd.  
PRL Agastya Private Limited  
Piramal Estates Private Limited  
Gliders Buildcon Realtors Pvt. Ltd.  
Piramal Realty Private Limited  
Piramal Glass Private Limited  
AASAN Corporate Solutions Private Limited  
Montane Ventures Private Limited  
Piramal Trusteeship Services Private Limited  
Brickex Advisors Private Limited  
Nival Developers Private Limited  
Piramal Metals Private Limited  
Gopikrishna Piramal Memorial Hospital  
The Sri Gopikrishna Trust  
The Sri Govinda Trust  
The Sri Krishna Trust  
Piramal Projects & Constructions Pvt. Ltd.





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Notes to the financial statements (continued)  
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**B. Transactions with related parties**

Nature of related party	Nature of Transaction	31 March 2020	31 March 2019
Piramal Enterprises Limited	Royalty and Corporate Service Charges	9,95,62,000	11,77,76,000
Piramal Capital & Housing Finance Limited	Royalty and Corporate Service Charges	21,72,72,000	21,78,32,000
PHL Fininvest Pvt. Ltd.	Royalty and Corporate Service Charges	7,72,52,000	2,28,82,000
Piramal Critical Care Inc	Royalty Income	4,70,42,109	4,06,50,632
Piramal Critical Care GmbH	Royalty Income	15,40,208	10,50,000
Decision Resources LLC	Royalty Income	5,06,27,899	5,35,86,662
Piramal Critical Care Italia SPA	Royalty Income	16,50,623	15,47,193
Piramal Healthcare (Canada) Ltd	Royalty Income	1,08,26,362	95,60,966
Piramal Healthcare (UK) Ltd	Royalty Income	3,57,40,519	2,90,20,950
Piramal Pharma Solutions Inc.	Royalty Income	50,93,151	36,58,601
Piramal Critical Care Ltd. U.K.	Royalty Income	1,57,36,559	1,60,64,265
Piramal Critical Care BV	Royalty Income	18,23,836	-
Piramal Critical Care South Africa Pty. Ltd.	Royalty Income	13,19,927	-
Piramal Critical Care Pty. Ltd.	Royalty Income	40,680	-
Montane Ventures Private Limited	Royalty and Corporate Service Charges	4,68,000	4,72,500
Piramal Trusteeship Services Private Limited	Royalty and Corporate Service Charges	1,99,000	2,42,789
Piramal Realty Private Limited	Royalty and Corporate Service Charges	52,00,000	3,05,00,000
Brickex Advisors Private Limited	Royalty and Corporate Service Charges	24,48,000	15,10,684
PRL Agastya Private Limited	Royalty Income	11,35,387	-
Aasan Corporate Solutions Pvt. Ltd.	Royalty and Corporate Service Charges	75,00,000	3,75,00,000
Piramal Fund Management Pvt. Ltd.	Royalty and Corporate Service Charges	22,66,000	15,33,118
Piramal Glass Private Limited	Royalty and Corporate Service Charges	12,50,00,000	4,50,00,000
PRL Developers Pvt. Ltd.	Arranger Fees	1,03,00,000	7,15,00,000
PRL Agastya Private Limited	Arranger Fees	94,00,000	-
Gliders Buildcon Realtors Pvt. Ltd.	Arranger Fees	4,01,00,000	-
Piramal Estates Private Limited	Arranger Fees	1,02,00,000	-
Piramal Realty Private Limited	Interest Expense	-	35,71,685
Aasan Corporate Solutions Pvt. Ltd.	Interest Expense	1,12,50,301	52,28,137
Piramal Realty Private Limited	Interest Income	4,02,90,178	30,81,487
Piramal Realty Private Limited	Interest Expense	12,82,863	35,71,685
Piramal Glass Private Limited	Interest Income	4,92,19,781	-
Piramal Metals Private Limited	Interest Income	78,261	-
Nival Developers Private Limited	Interest Income	1,47,80,328	-
Aasan Corporate Solutions Pvt. Ltd.	Interest Income	13,66,24,971	-
Gopikrishna Piramal Memorial Hospital	License Fees Expenses	47,40,000	47,40,000
Piramal Realty Private Limited	Loan given	11,46,00,000	1,29,39,00,000
Piramal Realty Private Limited	Loan repayment received	1,37,45,58,822	3,35,00,000
Piramal Realty Private Limited	Loan taken	5,35,02,559	27,12,00,000
Piramal Realty Private Limited	Loan repaid	5,35,02,559	27,12,00,000
Aasan Corporate Solutions Pvt. Ltd.	Loan given	5,06,49,62,473	28,90,00,000
Aasan Corporate Solutions Pvt. Ltd.	Loan repayment received	4,13,36,25,270	28,90,00,000
Aasan Corporate Solutions Pvt. Ltd.	Loan taken	1,10,01,25,270	-
Aasan Corporate Solutions Pvt. Ltd.	Loan repaid	1,10,48,30,593	-
Piramal Glass Private Limited	Loan given	3,84,92,19,781	-
Piramal Glass Private Limited	Loan repayment received	3,84,92,19,781	-
Nival Developers Private Limited	Loan given	24,00,00,000	-
Nival Developers Private Limited	Loan repayment received	24,00,00,000	-
Piramal Metals Private Limited	Loan given	20,41,06,776	-
The Sri Gopikrishna Trust	Loan repaid	-	25,00,000
The Sri Govinda Trust	Loan taken	-	7,00,00,000
The Sri Govinda Trust	Loan repaid	7,13,50,000	86,50,000
The Sri Krishna Trust	Loan taken	-	25,00,000
The Sri Krishna Trust	Loan repaid	-	1,45,00,000
Piramal Projects & Constructions Pvt. Ltd.	Loan taken	-	40,24,00,000
Piramal Projects & Constructions Pvt. Ltd.	Loan repaid	-	69,50,25,589
Aasan Corporate Solutions Pvt. Ltd.	Service Centre Fees / License Fees	1,54,31,782	1,34,27,900
India Polo Promotion Foundation	Sponsorship Fees Expenses	10,00,000	8,00,000
Aasan Corporate Solutions Pvt. Ltd.	Sale of Investment	-	2,40,00,000
Piramal Glass Private Limited	Sale of Investment	4,62,20,788	-
Directors	Salary	3,42,32,000	3,13,15,483



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**48 Related party transactions (Continued)**

**C. Balances with related parties**

		(In Rs.)	
Nature of related party	Nature of Transaction	31 March 2020	31 March 2019
<b>Closing Balance Receivables</b>			
Piramal Enterprises Limited	Trade Receivable	2,26,38,960	2,92,35,680
Piramal Critical Care Inc	Trade Receivable	2,03,96,426	29,05,445
Piramal Critical Care GmbH	Trade Receivable	23,18,166	10,94,266
Decision Resources LLC	Trade Receivable	-	9,89,85,124
Piramal Critical Care Italia SPA	Trade Receivable	3,62,973	7,24,986
Piramal Healthcare (Canada) Ltd	Trade Receivable	49,43,165	16,18,554
Piramal Healthcare (UK) Ltd	Trade Receivable	1,99,74,418	1,16,57,269
Piramal Pharma Solutions Inc.	Trade Receivable	17,31,711	67,99,917
Piramal Critical Care Ltd. BV	Trade Receivable	18,23,836	-
Piramal Critical Care South Africa Pty. Ltd.	Trade Receivable	13,19,927	-
Piramal Critical Care Pty. Ltd.	Trade Receivable	40,680	-
Piramal Capital & Housing Finance Limited	Trade Receivable	67,09,560	5,13,40,960
PRL Agastya Private Limited	Trade Receivable	1,13,10,094	-
Gliders Buildcon Realtors Pvt. Ltd.	Trade Receivable	4,33,08,000	-
Piramal Estates Private Limited	Trade Receivable	1,10,16,000	-
PHL Fininvest Pvt. Ltd.	Trade Receivable	-	2,70,00,760
Piramal Critical Care Ltd. U.K.	Trade Receivable	93,97,019	44,75,063
Montane Ventures Private Limited	Trade Receivable	5,05,440	5,57,550
Piramal Trusteeship Services Private Limited	Trade Receivable	2,14,920	2,62,214
Brickex Advisors Private Limited	Trade Receivable	26,43,840	17,82,608
PRL Developers Pvt Ltd	Trade Receivable	1,11,24,000	7,72,20,000
Piramal Glass Private Limited	Trade Receivable	-	4,86,00,000
Aasan Corporate Solutions Pvt. Ltd.	Trade Receivable	81,00,000	4,04,26,811
Piramal Realty Private Limited	Loan Receivable (including interest)	3,51,06,583	1,29,28,98,822
Nival Developers Private Limited	Loan Receivable (including interest)	1,33,02,295	-
Piramal Metals Private Limited	Loan Receivable (including interest)	20,41,06,776	-
Aasan Corporate Solutions Pvt. Ltd.	Loan Receivable (including interest)	93,13,37,203	-
<b>Closing Balance Payables</b>			
Piramal Fund Management Pvt Ltd.	Advance from Customer	23,76,952	48,24,232
PHL Fininvest Pvt. Ltd.	Advance from Customer	8,07,840	-
Aasan Corporate Solutions Pvt. Ltd.	Loan Payable (including interest)	-	47,05,323
The Sri Govinda Trust	Loan Payable (including interest)	-	7,13,50,000

**D. Terms and conditions**

The terms and conditions of the transactions with related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with unrelated entities on an arm's length basis. All outstanding balances are unsecured.



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49 Fair Value Measurements

A. Financial instruments by category and their fair value

As at 31 March 2020

Particulars	Carrying amount			Total	Fair value			Total
	FVTPL	FVOCI	Amortised Cost		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
<b>Financial assets</b>								
Loans	-	-	1,13,68,84,163	1,13,68,84,163	-	-	-	-
Investments								
- Mutual funds	18,22,46,422	-	-	18,22,46,422	-	18,22,46,422	-	18,22,46,422
- Equity instruments	79,672	1,46,091	-	2,25,763	2,25,763	-	-	2,25,763
- Preference shares	6,64,71,66,005	-	-	6,64,71,66,005	-	6,64,71,66,005	-	6,64,71,66,005
Trade receivables	-	-	23,06,80,189	23,06,80,189	-	-	-	-
Cash and cash equivalents	-	-	4,38,09,674	4,38,09,674	-	-	-	-
Other bank balances	-	-	48,176	48,176	-	-	-	-
NSC Certificate	-	-	35,000	35,000	-	-	-	-
Security deposits	-	-	21,35,086	21,35,086	-	-	-	-
Interest receivable	-	-	4,84,08,878	4,84,08,878	-	-	-	-
Other financial assets	-	-	49,11,768	49,11,768	-	-	-	-
<b>Total financial assets</b>	<b>6,82,94,92,099</b>	<b>1,46,091</b>	<b>1,46,69,12,933</b>	<b>8,29,65,51,123</b>	<b>2,25,763</b>	<b>6,82,94,12,427</b>	<b>-</b>	<b>6,82,96,38,190</b>
<b>Financial liabilities</b>								
Borrowings	-	-	94,39,57,642	94,39,57,642	-	-	-	-
Trade payables	-	-	3,30,37,939	3,30,37,939	-	-	-	-
Lease liabilities	-	-	24,42,288	24,42,288	-	-	-	-
Interest payable (accrued but not due)	-	-	42,16,439	42,16,439	-	-	-	-
Other financial liabilities	-	-	11,35,95,617	11,35,95,617	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,09,72,49,925</b>	<b>1,09,72,49,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31 March 2019

Particulars	Carrying amount			Total	Fair value			Total
	FVTPL	FVOCI	Amortised Cost		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
<b>Financial assets</b>								
Loans	-	-	1,33,84,03,066	1,33,84,03,066	-	-	-	-
Investments								
- Mutual funds	17,69,89,673	-	-	17,69,89,673	-	17,69,89,673	-	17,69,89,673
- Equity instruments	1,32,617	12,22,69,051	-	12,24,01,668	2,91,657	-	12,21,10,011	12,24,01,668
- Preference shares	6,32,01,32,598	-	-	6,32,01,32,598	-	6,32,01,32,598	-	6,32,01,32,598
Trade receivables	-	-	49,27,56,283	49,27,56,283	-	-	-	-
Cash and cash equivalents	-	-	6,57,86,411	6,57,86,411	-	-	-	-
Other bank balances	-	-	50,865	50,865	-	-	-	-
NSC Certificate	-	-	35,000	35,000	-	-	-	-
Security deposits	-	-	21,35,086	21,35,086	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-
Other financial assets	-	-	17,42,196	17,42,196	-	-	-	-
<b>Total financial assets</b>	<b>6,49,72,54,889</b>	<b>12,22,69,051</b>	<b>1,90,09,08,906</b>	<b>8,52,04,32,846</b>	<b>2,91,657</b>	<b>6,49,71,22,272</b>	<b>12,21,10,011</b>	<b>6,61,95,23,940</b>
<b>Financial liabilities</b>								
Borrowings	-	-	1,52,41,01,953	1,52,41,01,953	-	-	-	-
Trade payables	-	-	2,27,31,287	2,27,31,287	-	-	-	-
Interest payable (accrued but not due)	-	-	29,51,507	29,51,507	-	-	-	-
Interest expense payable	-	-	2,35,31,906	2,35,31,906	-	-	-	-
Employee benefits payable	-	-	2,97,18,068	2,97,18,068	-	-	-	-
Other financial liabilities	-	-	11,63,44,993	11,63,44,993	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,71,93,79,714</b>	<b>1,71,93,79,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

49 Fair Value Measurements (Continued)

B. Measurement of fair values

Types of inputs for determining fair value are as under:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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: These instruments are valued based on significant unobservable inputs whereby future cash flows are discounted using appropriate discount rate.

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods



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**Level 3 fair values**

**Transfer out of Level 3**

Reconciliation of Level 3 fair value measurement is as follows:

Particulars	Amount
Balance as on March 31, 2018	48,58,85,495
Change in the value	(36,37,75,484)
Balance as on March 31, 2019	12,21,10,011
Change in the value	(12,21,10,011)
Balance as on March 31, 2020	-

**C. Valuation processes**

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**50 Financial instruments risk management objectives and policies**

The Group has in place a well-defined risk management policy. The management regularly reviews the risk and take appropriate steps to mitigate the risk. The Group has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Group's competitive advantage. The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk
- Currency risk

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables and financial assets.	Credit ratings, Review of aging analysis, on quarterly basis.	Strict credit control and monitoring system, diversification of counterparties, on quarterly basis.
Liquidity Risk	Trade payables and other financial liabilities	Maturity analysis, cash flow projections.	Maintaining sufficient cash / cash equivalents and marketable security and focus on realisation of receivables.
Market Risk – Foreign Exchange	Financial assets and liabilities not denominated in INR.	Foreign currency exposure review and sensitivity analysis.	The company is exploring to its unhedged positions.

**(i) Credit risk**

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Group. The potential activities where credit risks may arise include from cash and cash equivalents, security deposits or other deposits, loans and advances to employees and customer receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Group along with relevant mitigation procedures adopted have been enumerated below:

**Trade and other receivables**

The Group's exposure to credit Risk is the exposure that Group has on account of services provided to various related parties. All receivables are reviewed and assessed for default on a quarterly basis.

The Group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

**Age of receivables**

Particulars	31 March 2020	31 March 2019
Not Due	7,58,140	5,13,136
0-3 Months	20,00,69,627	36,91,53,175
3-6 Months	15,35,031	65,24,218
6-9 Months	46,321	3,35,96,104
9-12 Months	5,29,258	15,53,819
> 1 year	2,77,41,812	8,14,21,831
	<b>23,06,80,188</b>	<b>49,27,62,283</b>

Generally credit period is 30 Days. The above receivables which are past due but not impaired are assessed on case-to-case basis. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The provision for impairment of trade receivables, movement of which has been provided below, is not significant / material. The concentration of credit risk is low due to fact that the customer base consists of related parties.

**Other financial assets**

Other financial assets includes cash and cash equivalents, security deposits or other deposits, loans and advances to employees etc.

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating.
- Loan and advances to employees are unsecured in nature. Based on historical trends, the management does not foresee any credit risk.
- The Group has given security deposits to various government authorities and other parties. Based on historical trends, the management does not foresee any credit risk.





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(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Group's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group has practiced financial diligence and syndicated adequate liquidity in all business scenarios.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31 March 2020	Carrying amount	Contractual cash flows		
		Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Borrowings	94,39,57,642	94,39,57,642	43,41,05,216	50,98,52,426
Trade payables	3,30,37,939	3,30,37,939	3,30,37,939	-
Lease liabilities	24,42,288	24,42,288	24,42,288	-
Interest payable (accrued but not due)	42,16,439	42,16,439	42,16,439	-
Other financial liabilities	11,35,95,617	11,35,95,617	11,35,95,617	-
<b>Total</b>	<b>1,09,72,49,925</b>	<b>1,09,72,49,925</b>	<b>58,73,97,499</b>	<b>50,98,52,426</b>

As at 31 March 2019	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Borrowings	1,52,41,01,953	1,52,41,01,953	7,13,49,999	1,45,27,51,954
Trade payables	2,27,31,287	2,27,31,287	2,27,31,287	-
Interest payable (accrued but not due)	29,51,507	29,51,507	29,51,507	-
Interest expense payable	2,35,31,906	2,35,31,906	2,35,31,906	-
Employee benefits payable	2,97,18,068	2,97,18,068	2,97,18,068	-
Other financial liabilities	11,63,44,993	11,63,44,993	11,63,44,993	-
<b>Total</b>	<b>1,71,93,79,714</b>	<b>1,71,93,79,714</b>	<b>26,66,27,760</b>	<b>1,45,27,51,954</b>

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio. The group does not have floating rate financial instruments as on 31st March, 2020 and as on 31st March, 2019. So the group is not exposed to Interest Rate risk.

(b) Foreign Currency risk

The group has exposure to foreign currency risk on account of its payable and receivables in foreign currency. The company is following natural hedging to mitigate the foreign currency risk.

The Group's exposure to foreign currency risk which are unhedged at the end of the reporting period is as follows:

Currency	March 31, 2020		March 31, 2019	
	Foreign Currency	Amount	Foreign Currency	Amount
USD	4,13,225	3,15,25,155	17,50,320	13,23,09,284
GBP	2,14,603	1,99,74,418	1,52,891	1,38,75,817
EUR	54,256	45,04,975	18,431	15,78,453
CAD	92,803	49,43,165	90,388	46,78,846
ZAR	3,13,522	13,19,927	-	-
AUD	871	40,680	-	-

Sensitivity Analysis-

The Group is mainly exposed to changes in USD, GBP, EUR, CAD, ZAR & AUD. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, EUR, CAD, ZAR & AUD exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, EUR, CAD, ZAR & AUD with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa.

Particulars	March 31, 2020		March 31, 2019	
	Strengthens	Weakening	Strengthens	Weakening
Impact on profit or loss for the year				
USD Impact	15,76,257.77	(15,76,258)	66,15,464.20	(66,15,464)
GBP Impact	9,98,720.90	(9,98,721)	6,93,790.84	(6,93,791)
EUR Impact	2,25,248.73	(2,25,249)	78,922.65	(78,923)
CAD Impact	2,47,158.25	(2,47,158)	2,33,942.32	(2,33,942)
ZAR Impact	65,996.35	(65,996)	-	-
AUD Impact	2,034.00	(2,034)	-	-
<b>Total</b>	<b>31,15,416</b>	<b>(31,15,416)</b>	<b>76,22,120</b>	<b>(76,22,120)</b>



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(iv) Price risk

**Exposure**

The group's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

51 Capital management

The Group defines capital as total equity including issued equity share capital and all other equity reserves of the Group (which is the Group's net asset value). The primary objective of the Group's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio was as follows.

Particulars	Note	31 March 2020	31 March 2019
Total borrowings	23, 28 & 31	94,39,57,642	1,63,38,11,953
Less: cash and bank balances	15	4,38,09,674	6,58,37,276
<b>Adjusted net debt</b>		<b>90,01,47,968</b>	<b>1,56,79,74,677</b>
Equity share capital	21	17,53,79,08,920	17,53,79,08,920
Other equity	22	6,61,64,30,661	3,80,02,00,433
<b>Total equity</b>		<b>24,15,43,39,581</b>	<b>21,33,81,09,353</b>
<b>Adjusted net debt to adjusted equity ratio</b>		<b>0.04</b>	<b>0.07</b>

52 Foreign Currency Exposure :

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under.

(a) Amount Receivable in Foreign Currency on account of the following :

Currency	March 31, 2020		March 31, 2019	
	Foreign Currency	Amount	Foreign Currency	Amount
USD	4,13,225	3,15,25,155	17,50,320	13,23,09,284
GBP	2,14,603	1,99,74,418	1,52,891	1,38,75,817
EUR	54,256	45,04,975	18,431	15,78,453
CAD	92,803	49,43,165	90,388	46,78,846
ZAR	3,13,522	13,19,927	-	-
AUD	871	40,680	-	-

53 Estimation of uncertainty relating to COVID-19 global health pandemic :

The Company has assessed, In line with "Advisory on Impact of Coronavirus on Financial Reporting" Issued by the Institute of Chartered Accountants of India, the recoverability and carrying values of its assets comprising property, plant and equipment and investments as at the balance sheet date. Based on the assessment by the Management the net carrying values of the said assets will be recovered at the values stated. The Company evaluated the internal controls including internal controls with reference to financial statements, which have been found to be operating effectively given that there have been no dilution of such controls due to factors caused by COVID 19 situation. The Company has estimated and recognised NIL Loss on 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 Company will continue to monitor any changes to the future economic conditions.



# **Piramal Corporate Services Private Limited** **(Formerly, Nicholas Piramal Pharma Private Limited)**

**Notes to the financial statements (continued)**  
for the year ended 31 March 2020

- 54** The financial statements were approved for issue by the board of directors on 26 December, 2020.
- 55** The Previous years' figures have been regrouped, where necessary to conform to current years' classification.

As per our report of even date attached

For M L BHUWANIA AND CO LLP  
Chartered Accountants  
FRN: 101484W / W100197

For and on behalf of the Board of Directors  
Piramal Corporate Services Private Limited



**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

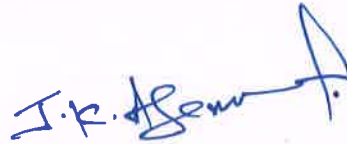


**Sunil Adukia**  
Director  
DIN: 00020049



**Narayan A.**  
Director  
DIN: 06575756

F- 11, 3rd Floor, Manek Mahal,  
90, Veer Nariman Road, Churchgate,  
Mumbai - 400 020, India.



**Jitesh Agarwal**  
Company Secretary  
Membership No. FCS-6890

Date: December 26, 2020



Date: December 26, 2020