



UNICHEM
LABORATORIES LTD.

ANNUAL REPORT 2022-2023



Corporate Information

Board Committees

Audit Committee	Mr. Prafull Anubhai-Chairman Mr. Prafull Sheth Mr. Anand Mahajan Mr. Pabitrakumar Kalipada Bhattacharyya (w.e.f.10th August, 2023)	Stakeholders Relationship Committee	Mr. Prafull Anubhai-Chairman Mrs. Priti Puri (w.e.f. 21st March, 2023) Mr. Pranay Godha (w.e.f.10th August, 2023)
Risk Management Committee	Mr. Pranay Godha-Chairman (w.e.f.10th August, 2023) Mr. Prafull Sheth Mr. Pabitrakumar Kalipada Bhattacharyya (w.e.f.10th August, 2023)	Corporate Social Responsibility Committee	Mr. Pranay Godha-Chairman (w.e.f.10th August, 2023) Mr. Prafull Anubhai Mrs. Priti Puri (w.e.f. 21st March, 2023)
Nomination and Remuneration Committee	Mr. Prafull Anubhai-Chairman Mr. Prafull Sheth Mr. Anand Mahajan		
Deputy Chief Financial Officer	Mr. Sandip Ghume	Company Secretary & Compliance Officer	Mr. Pradeep Bhandari Head-Legal & Company Secretary

Statutory Auditors

N. A. Shah Associates LLP

Chartered Accountants
B 41-45, Paragon Centre
Pandurang Budhkar Marg
Worli, Mumbai - 400 013

Cost Auditors

Kishore Bhatia & Associates

701/702, D-Wing, 7th Floor
Neelkanth Business Park
Nathani Road, Vidyavihar (West)
Mumbai - 400 086

Registrar and Share Transfer Agents

Link Intime India Private Limited

C 101, 247 Park, L B S Marg
Vikhroli (West), Mumbai - 400 083
Tel.: (022) 4918 6000 • Fax.: (022) 4918 6060
E-mail ID: mumbai@linkintime.co.in

Registered Office

Unichem Laboratories Limited

CIN:L99999MH1962PLC012451
Unichem Bhavan, Prabhat Estate, Off S. V. Road
Jogeshwari (West), Mumbai - 400 102
Tel.: (022) 6688 8333
Website: www.unichemlabs.com
E-mail ID: shares@unichemlabs.com

Plant Locations

FORMULATION PLANTS

GHAZIABAD

C 31, 32 & D10, Industrial Area
Meerut Road, Ghaziabad - 201 003
Uttar Pradesh

GOA

Plot No. 10, 11, 12 to 14, 15 to 18 & 17(A)
Pilerne Industrial Estate
Pilerne, Bardez - 403 511, Goa

BADDI

Bhatauli Kalan
District Solan, Baddi - 173 205
Himachal Pradesh

API PLANTS

ROHA

99, MIDC Area, Roha
District Raigad - 402 116
Maharashtra

PITHAMPUR

Plot No. 197, Sector - I
Pithampur, District Dhar - 454 775
Madhya Pradesh

KOLHAPUR

Plot No. T - 47, Five Star MIDC
Kagal - Hatkanangale, District Kolhapur - 416 236
Maharashtra

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Board of Directors



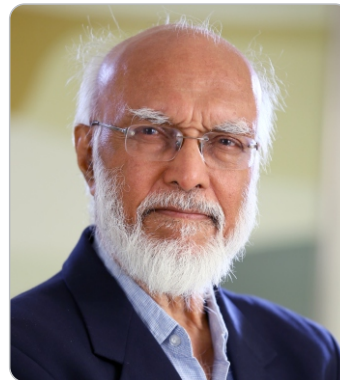
Dr. Prakash A. Mody
Non-Executive,
Non-Independent Chairman



Mr. Pranay Premchand Godha
Non-Executive,
Non-Independent Director



Mr. Pabitrakumar Kalipada Bhattacharyya
Managing Director



Mr. Prafull Anubhai
Independent Director



Mr. Prafull Sheth
Independent Director



Mr. Anand Mahajan
Independent Director



Mrs. Priti Puri
Independent Director

(₹ in Lakhs)

For the year ended 31st March	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Revenue From Operations	96,773.89	90,444.07	1,12,397.28	94,292.66	1,07,243.22
Other Income	10,154.23	9,917.01	4,737.11	4,206.79	4,184.75
Total Income	1,06,928.12	1,00,361.08	1,17,134.39	98,499.45	1,11,427.97
Cost of materials consumed (including provisions)	44,317.29	40,020.76	44,913.87	43,492.03	50,033.50
Purchases of Stock-in-Trade	20.86	104.37	53.52	134.90	152.65
Changes in inventories of finished goods and work-in-progress	(3,053.94)	(1,849.58)	(1,672.68)	(5,279.05)	2,201.32
Employee benefits expense	17,676.03	20,515.66	23,403.73	25,079.27	27,086.47
Other expenses	43,029.52	40,713.91	36,152.16	34,414.82	36,718.90
Total expenses	1,01,989.76	99,505.12	1,02,850.60	97,841.97	1,16,192.84
PBDIT	4,938.36	855.96	14,283.79	657.48	(4,764.87)
Finance Cost	61.71	128.18	130.06	207.42	938.02
Impairment loss on financial assets	863.42	-	-	806.07	341.72
PBDT	4,013.23	727.78	14,153.73	(356.01)	(6,044.61)
Depreciation & Amortisation	6,171.25	7,108.96	7,589.18	8,318.76	10,597.92
Profit before tax	(2,158.02)	(6,381.18)	6,564.55	(8,674.77)	(16,642.53)
Exceptional items	-	-	-	-	11,266.44
Deferred tax	(2,737.77)	(749.56)	1,094.30	(3,155.51)	2,061.22
Short / (Excess) provision for tax (earlier years)	(124.45)	-	62.02	23.70	-
Profit / (Loss) for the year	704.20	(5,631.62)	5,408.23	(5,542.96)	(29,970.19)
Profit / (Loss) from discontinued operations (after tax)	175.72	-	-	-	-
Other Comprehensive Income	(28.49)	299.50	2,130.49	5,537.20	3,872.67
Total Comprehensive Income	851.43	(5,332.12)	7,538.72	(5.76)	(26,097.52)

(₹ in Lakhs)

For the year ended 31st March	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Revenue From Operations	1,18,004.68	1,10,371.28	1,23,513.53	1,26,983.22	1,34,302.22
Other Income	9,841.29	9,131.31	5,018.76	4,750.94	3,851.51
Total Income	1,27,845.97	1,19,502.59	1,28,532.29	1,31,734.16	1,38,153.73
Cost of materials consumed (including provisions)	47,691.79	42,187.92	46,698.72	45,601.35	53,219.93
Purchases of Stock-in-Trade	20.86	104.37	53.52	134.90	152.65
Changes in inventories of finished goods and work-in-progress	(3,247.73)	(3,575.68)	(8,814.04)	(4,153.41)	1,720.09
Employee benefits expense	23,852.32	27,327.99	30,697.06	33,048.96	35,641.05
Other expenses	57,476.28	49,408.62	45,767.35	44,348.34	47,782.32
Total expenses	1,25,793.52	1,15,453.22	1,14,402.61	1,18,980.14	1,38,516.04
Share of profit/(loss) in associate (net of tax)	6.52	81.27	(34.25)	(106.10)	-
PBDIT	2,058.97	4,130.64	14,095.43	12,647.92	(362.31)
Finance Cost	752.23	784.72	511.86	610.53	1,731.25
Impairment loss on financial assets	560.59	-	-	723.89	341.72
PBDT	746.15	3,345.92	13,583.57	11,313.50	(2,435.28)
Depreciation & Amortisation	6,736.68	8,166.94	8,435.63	9,116.61	11,344.37
Profit before tax	(5,990.53)	(4,821.02)	5,147.94	2,196.89	(13,779.65)
Exceptional items	-	-	-	-	3,856.64
Current tax	713.83	547.24	1,668.26	1,050.83	1,105.63
Deferred tax	(4,024.15)	649.99	(14.82)	(2,183.81)	1,534.98
Short / (Excess) provision for tax (earlier years)	(124.45)	-	62.02	23.70	(54.14)
Profit / (Loss) for the year	(2,555.76)	(6,018.25)	3,432.48	3,306.17	(20,222.76)
Profit / (Loss) from discontinued operations (after tax)	175.72	-	-	-	-
Other Comprehensive Income	186.97	305.64	1,639.47	5,375.05	4,592.49
Total Comprehensive Income	(2,193.07)	(5,712.61)	5,071.95	8,681.22	(15,630.27)

NOTICE is hereby given that the 60th Annual General Meeting (AGM) of the Members of **Unichem Laboratories Limited**, will be held on Monday, 25th September, 2023 at 11:00 a.m. (IST) through Video Conference (VC)/Other Audio-Visual Mode (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the audited standalone financial statements of the Company for the financial year ended 31st March, 2023 and the reports of the Board of Directors and auditors thereon.
2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31st March, 2023 and the reports of the auditors thereon.
3. To appoint a Director in place of Dr. Prakash A. Mody (DIN: 00001285) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and such other approvals, permissions and sanctions, as may be required, approval of the members of the Company be and is hereby accorded to re-designate/appoint Dr. Prakash A. Mody (DIN:00001285), as a Non-Executive, Non-Independent Director and Chairman of the Company, w.e.f. 10th August, 2023, liable to retire by rotation from his earlier designation as Chairman & Managing Director of the Company, on such terms and conditions, as set out in the explanatory statement annexed hereto;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable, and expedient for giving effect to this Resolution.”

5. To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder and such other provisions of the Act as may be applicable, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for the appointment of Mr. Pranay Premchand Godha (DIN:00016525), who was appointed as an Additional Director of the Company in the capacity of a

Non-Executive, Non-Independent Director w.e.f. 10th August, 2023, and who holds office upto the ensuing annual general meeting and in respect of whom the Company has received a notice under Section 160 of the Act, proposing his candidature for the office of Director, as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable, and expedient for giving effect to this Resolution.”

6. To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the rules made thereunder and such other provisions of the Act as may be applicable and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for the appointment of Mr. Pabitrakumar Kalipada Bhattacharyya (DIN:07131152), who was appointed as an Additional Director by the Board of Directors w.e.f. 10th August, 2023, and who holds office upto the ensuing annual general meeting and in respect of whom the Company has received a notice under Section 160 of the Act, proposing his candidature for the office of Director, as a director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such actions and to do all such acts, deeds, matters, and things as may be considered necessary, desirable, and expedient for giving effect to this Resolution.”

7. To consider and, if thought fit, to pass, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 (Act), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, laws, rules, regulations if any, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modifications(s), clarifications(s), substitution (s) or re-enactment(s) thereof for the time being in force, the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, and the Board of Directors, and terms as set out in the agreement dated 10th August, 2023 entered into between the Company and Mr. Pabitrakumar Kalipada Bhattacharyya (DIN:07131152) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, consent of the Members of the Company, be and is hereby accorded to the appointment of and terms of remuneration payable to Mr. Pabitrakumar Kalipada Bhattacharyya as the Managing

Director of the Company, liable to retire by rotation for a period of three consecutive years w.e.f. 10th August, 2023 including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the said tenure and on such terms, conditions, and stipulations as set out in the statement annexed to in the explanatory statement of this Notice;

RESOLVED FURTHER THAT subject to the provisions of the Act and the rules, circulars, orders, and notifications issued thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V of the Act and/or guidelines for managerial remuneration issued by the Government of India, if any, from time to time or other appropriate authority in that behalf, as in force and as amended from time to time, the Board of Directors or any Committee thereof be and is hereby authorized to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable, and expedient for giving effect to this Resolution.”

8. To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), a remuneration not exceeding ₹ 9.00 Lakhs (Rupees Nine Lakhs Only) plus applicable taxes and reimbursement of out-of-pocket expenses as approved by the Board of Directors of the Company payable to Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No. 00294); for conducting Cost Audit of the records maintained by the Company for the financial year ending 31st March, 2024, be and is hereby ratified;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable, and expedient for giving effect to this Resolution.”

By order of the Board of Directors,
For **Unichem Laboratories Limited**

Pradeep Bhandari

Mumbai Head – Legal & Company Secretary
9th August, 2023 Membership No.: A14177

Registered Office:

Unichem Bhavan, Prabhat Estate, Off S. V. Road
Jogeshwari (West), Mumbai – 400 102

NOTES:

1. In view of the various circulars issued by the Ministry of Corporate Affairs (MCA) read with read with relevant circulars issued by the Securities and Exchange Board of India (SEBI), from time to time (hereinafter collectively referred to as the Circulars) permitted the holding of the Annual General Meeting (AGM) through Video Conference (VC)/Other Audio-Visual Mode (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and the Circulars, the AGM of the Company is being held through VC. The deemed venue for the 60th AGM shall be the Registered Office of the Company.
2. A Statement setting out material facts pursuant to Section 102(1) of the Act, with respect to the items of Special Business is annexed hereto.
3. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. The Annual report shall also be available on the Company's website www.unichemlabs.com and that of the exchanges namely www.bseindia.com and www.nseindia.com. In case any member is desirous of obtaining physical copy of the Annual Report for the financial year 2022-23 they may send a request to the Company by writing to shares@unichemlabs.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this Notice.
5. Institutional/Corporate Shareholders (i.e., other than Individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorization, etc. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company at shares@unichemlabs.com.
6. Pursuant to Section 108 of the Act and the Rules made thereunder, Regulation 44 of the Listing Regulations, and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
7. Members can join the AGM in the VC/OAVM mode fifteen minutes before and after the scheduled time of the commencement of the AGM by following the procedure

- mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first-come first-served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Auditors etc., who can attend the AGM without restriction on account of first-come first-served basis.
8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 9. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
 10. As per Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities of the listed companies can be transferred only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer.
 11. SEBI has mandated the submission of a Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their DPs and Members holding shares in physical form can submit their PAN details to the Company's RTA. SEBI Circular SEBI/HO/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 read together with SEBI Circular(s) SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2021/655 dated 3rd November, 2021, SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2021/687 dated 14th December, 2021, mandates all the listed companies to record the valid PAN, Address with PIN code, Email ID, Mobile Number, Bank Account Details, Specimen Signature and Nomination by holders of physical securities. Members were requested to ensure the above details are updated with the RTA before 1st April, 2023, since folios for which the above details are not available thereafter shall be marked frozen and the RTA shall not be able to process any service requests or complaints received from the holder(s)/claimant(s), till PAN, KYC details and Nomination documents/details are updated. Accordingly, requisite communication has been sent to the Members holding shares in physical form to update the requisite KYC details.
 12. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Please write to the Company's RTA at rnt.helpdesk@linkintime.co.in or can register the same by submitting Form No. SH-13. Members are requested to submit the said details to their respective DP, in case the shares are held by them in dematerialised form, and to the Company/RTA in case the shares are held by, them in physical form.
 13. The unclaimed dividend(s) for the financial year 2015-16 and dividends before that, have already been transferred to the Investor Education and Protection Fund (IEPF), as required under Section 124(5) of the said Act. Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2022, on the website of the Company at www.unichemlabs.com and the website of the Ministry of Corporate Affairs at www.iepf.gov.in.
 14. Members are requested to note that no claim shall lie against the Company in respect of any amount of Dividend remaining unclaimed/unpaid for seven years from the dates they became first due for payment. Any Member, who has not claimed the Dividend for the financial year 2016-17 and onwards is requested to approach the Company/the Company's RTA for claiming the same as early as possible, but before 20th August, 2024. The Company has already sent reminders to all such Members at their registered addresses in this regard.
 15. Pursuant to the provisions of the IEPF Rules read with Section 124(5) and Section 124(6) of the Act all shares on which a Dividend has not been paid or claimed for seven consecutive years or more shall be transferred to demat account of IEPF authority. The Company has uploaded full details of such Shareholders and shares transferred to the IEPF suspense account on its website www.unichemlabs.com. Shareholders are requested to refer to the link on the Company's website namely <https://www.unichemlabs.com/unclaimed-dividend.php> to verify the details of un-encashed Dividends and the shares transferred to the IEPF suspense account.
- In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
16. Since the AGM will be held through VC/OAVM, the Route Map of the AGM is not annexed in this Notice.
 17. The Registers as required under the Act and the documents referred to in the Notice shall not be available for physical inspection at the Registered Office of the Company. Interested Shareholders seeking an inspection of the same may write to the Company Secretary at shares@unichemlabs.com for an electronic copy.
 18. Pursuant to the provisions of the Listing Regulations, the Company is maintaining an e-mail ID namely shares@unichemlabs.com exclusively for prompt redressal of members/investors grievances.
 19. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance atleast fifteen days prior to Meeting mentioning their name, demat account number/folio number, e-mail ID, mobile number at shares@unichemlabs.com. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance fifteen days prior to the Meeting mentioning their name, demat account number/folio number, e-mail ID, mobile number at shares@unichemlabs.com. These queries will be replied to by the Company suitably.

20. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
21. The Company has appointed Ms. Ragini Chokshi of Ragini Chokshi & Associates, Practicing Company Secretary (C.P.No.1436) as a Scrutinizer for conducting the remote e-voting and voting at the Meeting fairly and transparently.
22. Instructions for e-voting and using VC/OAVM

THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Thursday, 21st September, 2023 at 9:00 a.m. (IST) and ends on Sunday, 24th September, 2023 at 5:00 p.m. (IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, 18th September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote on such Resolution again.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its Shareholders, in respect of all Shareholders' Resolutions. Currently, there are Multiple e-voting Service Providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing the ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility.

Step 1: Access through Depositories CDSL/NSDL e-voting system in case of individual Shareholders holding shares in demat mode.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual

Meetings for Individual Shareholders holding securities in Demat mode is given below:

Login Method for Individual Shareholders holding securities in Demat mode with CDSL

- 1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi/Easiest are requested to visit www.cdslindia.com and click on Login icon and select New System Myeasi tab.
- 2) After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual Meeting and voting during the Meeting. Additionally, there are also links provided to access the system of all e-voting service providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly.
- 3) If the user is not registered for Easi/Easiest, the option to register is available at website www.cdslindia.com and click on the login and New System Myeasi Tab and then click on the registration option.
- 4) Alternatively, the user can directly access the e-voting page by providing Demat Account Number and PAN No. from an e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile and e-mail as recorded in the Demat Account. After successful authentication, the user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.

Login Method for Individual Shareholders holding securities in Demat mode with NSDL

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a personal computer or on a mobile. Once the home page of e-services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual Meeting and voting during the Meeting.
- 2) If the user is not registered for IDeAS e-services, option to register is available at <https://eservices.nsd.com>. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>.
- 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL:

<https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual Meeting and voting during Meeting.

Login Method for Individual Shareholders (holding securities in demat mode) login through their Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on the company name or e-voting service provider name and you will be redirected to the e-voting service provider website for casting your vote during the remote e-voting period or joining virtual Meeting and voting during the Meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

FOR CDSL

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact toll free number 1800 22 5533.

FOR NSDL

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 488 67 000 and 022 24 99 700.

Step 2: Access through CDSL e-voting system in case of Shareholders holding shares in physical mode and non-individual Shareholders in demat mode.

(v) **Login method for e-voting and joining virtual Meeting for physical Shareholders and Shareholders other than individual Shareholders holding shares in Demat form.**

- 1) The Shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID.
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.

c. Shareholders holding shares in physical form should enter folio number registered with the Company.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps as given herein:

For physical shareholders and other than individual shareholders holding shares in Demat Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as Physical Shareholders). Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login. If both the details are not recorded with the depository or Company, please enter the Member id/folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Shareholders holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (ix) Click on the EVSN for the Unichem Laboratories Limited.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xiii) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non-Individual Shareholders and Custodians-Remote Voting**

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- Alternatively, Non-Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the e-mail ID namely shares@unichemlabs.com, if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the Scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING MEETING ARE AS UNDER:

- 1) The procedure for attending Meeting and e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- 2) The link for VC/OAVM to attend Meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
- 3) Shareholders who have voted through remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the AGM.
- 4) Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.

- 5) Further Shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the Meeting.
- 6) Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- 7) Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- 8) If any votes are cast by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the Shareholders attending the Meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

- 1) For physical Shareholders please provide necessary details like Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to RTA at rnt.helpdesk@linkintime.co.in.
- 2) For Demat Shareholders: Please update your e-mail ID and mobile no. with your respective Depository Participant (DP).
- 3) For Individual Demat Shareholders: Please update your e-mail ID and mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting and joining virtual Meetings through Depository.

If you have any queries or issues regarding attending AGM and e-voting from the CDSL e-voting System, you can write an e-mail to helpdesk.evoting@cdslindia.com or contact toll free number 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call toll free number 1800 22 55 33.

23. The voting rights of Shareholders shall be in proportion to their share of the paid-up capital of the Company as of the cut-off date i.e. Monday, 18th September, 2023. Any person who becomes a Member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date i.e. Monday, 18th September, 2023 and wishing to participate in the e-voting may obtain User ID

and password by sending a letter or e-mail to the Company's RTA at evoting.investors@linkintime.co.in providing details such as name of the Member, DP ID/Client ID no. and name of the Company. User ID and password will be provided through e-mail or SMS or letter as per details of the Member provided by the Depositories or available with the RTA. A person who is not a Member, as on the cut-off date should treat this Notice for information purposes only.

24. The Scrutinizer shall after scrutinizing the votes cast through remote e-voting not later than forty-eight hours from the conclusion of the AGM shall submit the Scrutinizer's Report to the Chairman or any person authorized by the Board, who shall counter sign the same. The results declared along with the Scrutinizer's report shall be placed on the website of the Company at www.unichemlabs.com and of CDSL at <https://www.evotingindia.com/>. The results shall also simultaneously be disseminated to the Stock Exchanges at www.bseindia.com and www.nseindia.com.

25. Subject to the receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e., Monday, 25th September, 2023.

By order of the Board of Directors,
For **Unichem Laboratories Limited**

Pradeep Bhandari

Mumbai
9th August, 2023

Head – Legal & Company Secretary
Membership No.: A14177

Registered Office:

Unichem Bhavan, Prabhat Estate, Off S. V. Road
Jogeshwari (West), Mumbai – 400 102

Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013, (the Act).

Item No. 4

Pursuant to the Share Purchase Agreement (SPA) dated 24th April, 2023 executed between Dr. Prakash A. Mody, Ipca Laboratories Limited (Ipca) and the Company and the transfer of shares by Dr. Mody to Ipca on 2nd August, 2023, Dr. Mody shall step down from the executive post as 'Chairman and Managing Director'. Accordingly, the Board at its meeting held on 9th August, 2023 on the recommendation of the Nomination and Remuneration Committee (NRC) re-designated/appointed Dr. Mody as a Non-Executive, Non-Independent Chairman of the Company w.e.f. 10th August, 2023, liable to retire by rotation, subject to the approval of the shareholders at the ensuing annual general meeting.

The Company has received: (i) consent in writing from Dr. Mody to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 from Dr. Mody to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018, and NSE Circular No. NSE/CML/2018/24 dated 20th June, 2018 that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

Dr. Mody shall be paid sitting fees for the board meetings attended by him in line with the fees paid to other non-executive directors of the Company and within the limits prescribed under the Act.

Brief profile of Dr. Mody and additional details as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are set out in

Annexure 1 of this notice and hence not repeated here for the sake of brevity.

In accordance with provisions of the Act Dr. Mody would also retire by rotation at the ensuing annual general meeting. Being eligible, he has offered himself for re-appointment.

The Board, considering the rich experience and expertise of Dr. Mody recommends the Ordinary Resolution as set out in the Notice at item no. 4 for approval of the Members. None of the Directors, Key Managerial Personnel or their relatives (except Dr. Mody being the appointee himself and his relatives) are interested, financially or otherwise, in the Resolution as set out in this Notice.

Item No. 5

The Board of Directors at its meeting held on 9th August, 2023 on the recommendation of the Nomination and Remuneration Committee appointed Mr. Pranay Premchand Godha (DIN: 00016525), as an Additional Director (Non-Executive, Non-Independent Director) of the Company w.e.f. 10th August, 2023 and is eligible to be appointed as a Director of the Company, whose office is liable to retire by rotation, subject to the approval of the shareholders at the ensuing annual general meeting of the Company as per the provisions of the Act and SEBI Listing Regulations.

As per the provisions of the Act, any person appointed as an Additional Director holds office upto the date of Annual General Meeting. Further as per Regulation 17 (1C) of the Listing Regulations, the listed company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, approval of the Members is being sought for the appointment of Mr. Godha as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation, at the ensuing annual general meeting.

Brief profile of Mr. Godha and all additional details as required by Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2) as laid-down by The Institute of Company Secretaries of India, relating to the particulars of the Director seeking appointment are set out in Annexure 1 to this Notice and hence not repeated here for the sake of brevity.

The Company has received: (i) consent in writing from Mr. Godha to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 from Mr. Godha to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018, and NSE Circular No. NSE/CML/2018/24 dated 20th June, 2018 that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

Mr. Godha shall be paid sitting fees for the board and committee meetings attended by him in line with the fees paid to other non-executive directors of the Company and within the limits prescribed under the Act.

The Company has received a notice pursuant to Section 160 of the Act from a Member signifying the intention to propose the appointment of Mr. Godha as a Non-Executive, Non-Independent Director of the Company.

Mr. Godha is also nominated as a director on the Company's wholly owned subsidiaries at UK, Ireland, China, USA, and South Africa.

The Board, considering the rich experience and expertise of Mr. Pranay Godha recommends the Ordinary Resolution as set out in the Notice at item no. 5 for approval of the Members. None of the Directors, Key Managerial Personnel or their relatives (except Mr. Godha being the appointee himself and his relatives) are interested, financially or otherwise, in the Resolution as set out in this Notice.

Item No. 6 & 7

The Board of Directors at its meeting held on 9th August, 2023 on the recommendation of the Nomination and Remuneration Committee (NRC) has appointed Mr. Pabitrakumar Kalipada Bhattacharyya (DIN:07131152), as an Additional Director of the Company, w.e.f. 10th August, 2023 and is eligible to be appointed as a Director of the Company, whose office is liable to retire by rotation, subject to the approval of the shareholders at the ensuing annual general meeting of the Company as per the provisions of the Act and SEBI Listing Regulations.

As per the provisions of the Act, any person appointed as an Additional Director holds office upto the date of Annual General Meeting. Further as per Regulation 17 (1C) of the Listing Regulations, the listed company shall ensure that

approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, approval of the Members is being sought for the appointment of Mr. Bhattacharyya as a Director, liable to retire by rotation, at the ensuing annual general meeting.

At the said Board Meeting, pursuant to the recommendation of NRC, the Board of Directors, subject to the approval of the members at the ensuing AGM also appointed Mr. Bhattacharyya as the Managing Director of the Company, for a period of three consecutive years w.e.f. 10th August, 2023 including the remuneration payable to him as per the agreement entered into between the Company and Mr. Bhattacharyya dated 10th August, 2023.

The Company has received: (i) consent in writing from Mr. Bhattacharyya to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 from Mr. Bhattacharyya to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018, and NSE Circular No. NSE/CML/2018/24 dated 20th June, 2018 that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

Brief profile of Mr. Bhattacharyya and all additional details as required by Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2) as laid-down by The Institute of Company Secretaries of India, relating to the particulars of the Director seeking appointment are set out in Annexure 1 to this Notice and hence not repeated here for the sake of brevity.

The Company has received a notice pursuant to Section 160 of the Act from a Member signifying the intention to propose the appointment of Mr. Bhattacharyya as the Director of the Company.

Broad terms and conditions contained in the agreement entered into by the Company with Mr. Bhattacharyya upon his aforesaid appointment, include the following:

(A) SALARY, COMMISSION AND RETIREMENT BENEFITS

1. Basic Salary (Payable Monthly)
₹ 16,00,000/- (Rupees Sixteen lakhs only) per month with such increments the Nomination and Remuneration Committee and Board may decide subject to a ceiling of ₹ 24,00,000 (Rupees Twenty-four lakhs only) per month over the remaining tenure. ("Maximum ceiling")
2. Commission
Such commission to be decided by the Board as may be recommended by the Nomination and Remuneration

Committee which shall not exceed 1% of the net profits of the Company in a financial year computed in terms of Section 198 and subject to the overall ceilings laid down under Section 197 and Schedule V of the Companies Act, 2013 (The Act).

3. Contribution to Provident Fund (Payable Monthly)
In addition to Basic Salary, Contribution by the Company to the Provident Fund at a rate not exceeding 12% of the Basic Salary.
4. Contribution to National Pension Scheme (Payable Monthly)
In addition to Basic Salary, Contribution to the National Pension Scheme at a rate not exceeding 10% of the Basic Salary.
5. Gratuity
Gratuity payable in accordance with the Gratuity Scheme of the Company provided that it does not exceed one half month's salary for every completed year of continuous service, since the date on which Mr. Bhattacharyya is appointed.

(B) PERQUISITES

1. In addition to Basic Salary, the Managing Director shall be also eligible for House Rent allowance @ 30% of salary on a monthly basis.
2. Medical, hospitalisation and healthcare expenses: Expenses incurred by the Company towards policy premium for the Managing Director and his spouse under Company's group Mediclaim policy.
3. Leave Travel Concession
Leave Travel Concession shall be made available to the Managing Director for himself and his family once in a year in accordance with the rules of the Company, the total in a year, shall not exceed one month's salary.
4. Conveyance
Free use of Company's car not exceeding one in number for the work of the Company along with driver, insurance, petrol, cost of repairs, overhauling, maintenance, and garage rent.
5. Communication Facilities
The Company shall bear all expenses of Communication facilities installed at the residence allotted to the Managing Director including but not limited to Telephones (land lines/mobiles), Faxes, Computers/Laptops, Internet connection.
6. Personal Accident Insurance
Personal Accident Insurance as per the Company's policy.
7. Leave
The Managing Director shall be eligible for leave as per Rules of the Company.
8. Other incidental Expenses
The Company shall reimburse to Mr. Bhattacharyya such other expenses actually and properly incurred for the business of the Company.

(C) VALUATION OF PERQUISITES

Perquisites mentioned in above shall be evaluated in

accordance with the Income Tax Rules, 1962 wherever applicable, and in other cases at the actual cost to the Company.

(D) OTHER TERMS RELATED TO REMUNERATION

1. Minimum Remuneration
When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Bhattacharyya in accordance with the applicable provisions of Schedule V of the Companies Act, 2013 and subject to such approvals as may be required.
2. Disentitlements
The Managing Director shall not be entitled to sitting fees for attending Meetings of the Board of Directors of the Company or any committee or committees thereof.
The Board, considering the experience and expertise of Mr. Bhattacharyya recommends the Ordinary Resolution and Special Resolution as set out in the Notice at item no. 6 and 7 respectively for approval of the Members. None of the Directors, Key Managerial Personnel or their relatives (except Mr. Bhattacharyya) being the appointee himself and his relatives) are interested, financially or otherwise, in the Resolution as set out in this Notice.

Item No. 8

The Board of Directors at its Meeting held on 23rd May, 2023, based on the recommendation of the Audit Committee, appointed Kishore Bhatia & Associates, (Firm Registration No. 00294) Cost Accountants, Mumbai as Cost Auditors for undertaking Cost Audit of the Cost Accounting Records maintained by the Company for the financial year ending 31st March, 2024, at a remuneration not exceeding ₹ 9.00 Lakhs (Rupees Nine Lakhs Only) plus applicable taxes and out-of-pocket expenses at actuals. The auditors have confirmed that they are eligible for appointment as Cost Auditors.

As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the said Cost Auditors is required to be ratified by the Members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 except to the extent of their Shareholding, if any, in the Company.

Accordingly, resolution at Item No. 8 of the Notice, is recommended by Board of Directors for Members approval as an Ordinary Resolution.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF SECTION II, PART II OF THE SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NO. 7 OF THE NOTICE

(I) GENERAL INFORMATION:

- 1) Nature of Industry: Unichem is an international, integrated, speciality pharmaceutical Company. It manufactures and

markets a large basket of pharmaceutical formulations as branded generics as well as generics in several markets across the world. The Company has strong skills in manufacturing complex Active Pharmaceutical Ingredients as well as dosage forms. The Company has six plants situated at Roha and Kolhapur, Maharashtra; Pilerne, Goa; Baddi, Himachal Pradesh; Pithampur, Madhya Pradesh and Ghaziabad, Uttar Pradesh. The R&D Centre called the Centre of Excellence is in Goa. The Company has a global footprint including in the US, Europe, Ireland, South Africa, and Brazil.

- 2) Date or expected date of commencement of commercial production: The Company started commercial production in the year 1962.
- 3) In the case of new companies, the expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- 4) Financial performance based on given indicators: As given in **Table 1**.
- 5) Earnings in Foreign Exchange (accrual basis) (₹ in Lakhs): As given in **Table 2**.
- 6) Foreign investments or collaborations if any: The Company does not have any foreign investment or collaborations except direct investments in six Wholly Owned Overseas Subsidiaries (WOS) and an Associate Company in India as given in **Table 3**.

(II) INFORMATION ABOUT THE APPOINTEE:

Mr. Pabitrakumar Kalipada Bhattacharyya

1. Brief Background: Refer the Statement (Item No. 6 & 7) above setting out material facts pursuant to Section 102(1) of the Act and Annexure 1, and is not repeated here for the sake of brevity.
2. Past Remuneration: Not Applicable
3. Recognition or awards: Received the following awards for leading various teams at the manufacturing locations of Ipca Laboratories Limited (Ipca).
 - a. First Prize from the Bureau of Energy Efficiency, Government of India- New Delhi in the year 2016 and 2018, Ipca-Ratlam, Madhya Pradesh.
 - b. Received Silver, Gold and Platinum SEEM Award. (Society of Energy Engineers and Managers) in the year 2017, 2020 and 2021, Ipca- Ratlam, Madhya Pradesh.
 - c. Received award on environment protection and management in the year 2022, Ipca-Ratlam, Madhya Pradesh.
 - d. National Water Award from Ministry of Jal Shakti (Department of water resources) in the year 2020, Ipca-Indore, Madhya Pradesh.
 - e. Certificate with 4 Stars rating in pharmaceutical category from the State Pollution Control Board, Ipca-Raigad, Maharashtra.
 - f. Narayan Meghaji Lokhande Safety Award from the Government of Maharashtra in the year 2023, Ipca-Aurangabad, Maharashtra.

Table 1 - Financial performance based on given indicators:

₹ in Lakhs

Sr. No.	Particulars	Quarter ended 30th		2022-23		2021-22		2020-21	
		June, 2023 (Unaudited)		(Audited)		(Audited)		(Audited)	
		Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
a	Total Income	35,249.32	43,181.72	1,11,427.97	1,38,153.73	98,499.45	1,31,734.16	1,17,134.39	1,28,532.29
b	Profit before Depreciation interest and Tax*	1,413.50	3,664.87	(5,106.59)	(704.03)	(148.59)	11,924.03	14,283.79	14,095.43
c	Profit After Tax#	(1,570.30)	(66.83)	(29,970.19)	(20,222.76)	(5,542.96)	3,306.17	5,408.23	3,432.48

*Before exceptional items; #After exceptional items for FY 2022-23.

Table 2 - Earnings in Foreign Exchange (accrual basis)

₹ in Lakhs

Sr. No.	Particulars	2022-23	2021-22	2020-21
		Standalone (Audited)	Standalone (Audited)	Standalone (Audited)
a	Foreign Exchange Earned (Accrual Basis)	99,980.52	87,774.04	1,05,053.50

Table 3 - Foreign investments or collaborations

₹ in Lakhs

Sr. No.	Name of the Wholly Owned Subsidiary (WOS) and Associate Company	Invested Value as per Standalone accounts 31st March, 2023 (Audited)
a	Niche Generics Limited, UK (WOS)*	6,909.36
b	Unichem Farmaceutica Do Brasil Ltda, Brazil (WOS)*	7,086.72
c	Unichem Laboratories Limited, Ireland (WOS)*	2,104.84
d	Unichem Pharmaceuticals (USA) INC (WOS)	3,232.05
e	Unichem SA (Pty) Limited, South Africa (WOS)	12.14
f	Unichem (China) Pvt. Ltd.(WOS)	637.50
g	Synchron Research Services Pvt. Ltd (Associate)*	569.31

* Impairment wholly provided in books

- g. Best Safety Practices Award from National Safety Council and Directorate of Industrial Safety and Health, Ipca-Aurangabad, Maharashtra.
4. Job Profile and his suitability: Refer the Statement (Item No. 6 & 7) above setting out material facts pursuant to Section 102(1) of the Act and Annexure 1, and is not repeated here for the sake of brevity.
5. Remuneration proposed to be paid: Refer the Statement (Item 7) above setting out material facts pursuant to Section 102(1) of the Act, and is not repeated here for the sake of brevity.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of origin): The remuneration payable to Mr. Bhattacharyya has been considered by the Nomination and Remuneration Committee based on his profile, knowledge, experience, and responsibilities to be discharged by him.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Mr. Bhattacharyya has no other pecuniary relationship with the Company, Directors or any Key Managerial Personnel or their relatives except to the extent of the remuneration drawn by him. He is not related to any Directors or Key Managerial Personnel or their relatives. He does not own any shares in the Company.

(III) OTHER INFORMATION:

1. On 14th December, 2017, the Company sold and transferred its business of manufacture, sale marketing, and distribution of domestic formulations in India and Nepal, together with all specified tangible and intangible assets, contracts, rights, personnel and employees, data and records, inventory and other assets and liabilities by way of slump sale on a going concern basis, to Torrent Pharmaceuticals Limited. This change in business strategy to focus on international markets was expected to give the desired results over a period. The Company has completed its various capex plans and is working towards optimisation of its capacities which is expected to give returns in the coming years, however it is envisaged that there may be loss/inadequacy of profits during the period for which remuneration is payable to Mr. Bhattacharyya and hence the said Resolution for the approval of the Members.
2. Steps taken or proposed to be taken for improvement: On 24th April, 2023, Ipca Laboratories Limited (Ipca) entered into a definitive Share Purchase Agreement (SPA) for the acquisition of 33.38% share capital of the Company from the existing promoter Dr. Prakash A. Mody. Ipca has completed the acquisition of said 33.38% shares of Unichem on 2nd August, 2023. Ipca is classified as one of the promoters of the Company and would be part of the promoter group alongwith the existing promoter/promoter group.

The Company has developed an excellent and proven track record of product range with a differentiated capability which is highly complementary to Ipca's strength. Ipca is a leading research driven global pharmaceutical company with its products marketed in over several countries across the globe. Transactions with Ipca will enhance each other's portfolio (Both in APIs and Formulations) in chosen growth

markets. Both companies can successfully integrate their product offerings for the growth of its business.

The Company has taken/proposes to:

- (2.i) focus attention on all aspects of the international business including finished formulations, API, contract manufacturing, and contract research;
 - (2.ii) control operating expenses and overheads cost across the organization; and
 - (2.iii) initiate various measures towards achieving organizational and operating efficiencies and strengthening core competencies.
3. Expected increase in productivity and profits in measurable terms: In addition to steps proposed to be taken for improvement as detailed herein above, key focus areas would be profit maximization, conservation of cash, operational efficiencies, cost, and working capital containment. This will further lead to improvement in productivity, sales, and profitability.

(IV) DISCLOSURES:

The disclosures on the remuneration package of each managerial person and Directors and details of all elements of the remuneration package, details of fixed components, etc. is mentioned in the Corporate Governance Section of the Annual Report 2022-23 of the Company.

By order of the Board of Directors,
For **Unichem Laboratories Limited**

Pradeep Bhandari

Mumbai
9th August, 2023

Head – Legal & Company Secretary
Membership No.: A14177

Registered Office:

Unichem Bhavan, Prabhat Estate, Off S. V. Road
Jogeshwari (West), Mumbai – 400 102

Annexure 1

As required by Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2) as laid-down by The Institute of Company Secretaries of India, additional information relating to the particulars of the Director seeking appointment/ retiring by rotation is given herein.

Name of the Director	Dr. Prakash A. Mody	Mr. Pranay Premchand Godha	Mr. Pabitrakumar Kalipada Bhattacharyya
Date of birth	14th November, 1952	24th March, 1972	17th April, 1969
Date of Appointment	26th June, 1974	10th August, 2023	10th August, 2023
Brief Profile, Qualification and Expertise in Specific Functional Area	Dr. Mody is a post-graduate from the University of Mumbai and a Ph.D. in organic chemistry. He is a graduate alumnus of Harvard Business School and the former president of the Indian Pharmaceutical Alliance, the industry body representing research-based national pharmaceutical companies. Dr. Prakash A. Mody has a rich and varied experience in the industry to which the Company belongs and has been at the helm of the affairs of the Company for over forty years and during this period the Company has achieved growth and has spread its footprints in the international markets to more than eighty countries in US, Europe, Ireland, South Africa, Brazil etc. He is one of the Promoter of the Company.	Mr. Godha has done BSc. from the University of Mumbai and has also obtained a degree in M.B.A from the New York Institute of Technology. He has over two decades of experience in the field of Marketing and General Management. He is the Promoter, Managing Director, and Chief Executive Officer of Ipca Laboratories Limited.	Mr. Bhattacharyya is a B.Tech. (Chemical) from UDCT. He did his B.Sc Chemistry (Hons.) from Calcutta University. He has previously worked with several reputed Pharmaceutical companies in India. He is currently the President Operations (API) at Ipca Laboratories Limited. He has a rich experience of over three decades in Manufacturing and Technical Excellence, Production, Business Excellence, Project Management, Multi-sites Operations, Process Improvement, Six Sigma Project Management, Process Development, Quality Assurance, Budget Management, Strategic Planning, Execution and Administration, Startup and turned around Operations, Cost Reduction through innovations, Cost Analysis and Control, Process Automation, Flow Chemistry and Control and Relationship Management.
Remuneration last drawn (including sitting fees, if any)	₹ 592.35 Lakhs	Not Applicable	Not Applicable
Remuneration proposed to be paid	Sitting fees is paid for board meetings attended by him.	Sitting fees is paid for board and committee meetings attended by him.	As mentioned in the explanatory statement under item no. 7 of this Notice.
Number of Meetings of the Board attended during the financial year 2022-23	Six	Not Applicable	Not Applicable
No. of shares held in the Company	89,97,952 (12.78% of the Paid up capital) as on date of this Notice	Nil	Nil
Directorships in other Indian Companies	1. Kewal Kiran Clothing Limited 2. Elemage Wellness LLP 3. Prajay Advisors LLP	1. Ipca Laboratories Limited 2. Paschim Chemicals Private Limited 3. Kaygee Laboratories Private Limited 4. Kaygee Investments Private Limited 5. Mexin Medicaments Private Limited Also, a director of some of the foreign wholly owned subsidiaries of Ipca Laboratories Limited where he represents the Company as a Director.	Non-Executive in Krebs Biochemicals and Industries Limited
Membership/ Chairmanship of Committees	Member of the Nomination and Remuneration Committee of the Board of Directors of Kewal Kiran Clothing Limited.	Member of the Risk Management Committee of the Board of Directors of Ipca Laboratories Limited. Member of the Stakeholders Relationship Committee and Chairman of the Risk Management Committee and Corporate Social Responsibility of the Company respectively.	Member of the Audit and Risk Management Committee of the Board of Directors of the Company.
Resigned/retired as a Director in any listed entities in the past three financial years.	Nil	Nil	Nil
Relationship between Directors inter-se	None	None	None

Dear Members,

Your Directors have the pleasure of presenting the audited accounts of your Company for the financial year ended 31st March, 2023.

Financial Highlights

The table below gives the financial highlights of the Company for the year ended 31st March, 2023 on a standalone and consolidated basis as compared to the previous financial year. (₹ in Lakhs)

Particulars	Standalone (Audited)		Consolidated (Audited)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from operations	1,07,243.22	94,292.66	1,34,302.32	1,26,983.22
Other Income	4,184.75	4,206.79	3,851.51	4,750.94
Total Income	1,11,427.97	98,499.45	1,38,153.73	1,31,734.16
Profit/(loss) before tax	(27,908.97)	(8,674.77)	(17,636.29)	2,196.81
Current tax	-	-	1,105.63	1,050.83
Deferred tax	2,061.22	(3,155.51)	1,534.98	(2,183.81)
Short/(Excess) provision for tax (earlier years)	-	23.70	(54.14)	23.70
Profit/(loss) for the year	(29,970.19)	(5,542.96)	(20,222.76)	3,306.17
Other Comprehensive Income	3,872.67	5,537.20	4,592.49	5,375.05
Total Comprehensive Income	(26,097.52)	(5.76)	(15,630.27)	8,681.22

Change in Control and Management

Dr. Prakash A. Mody, one of the members of the promoter and promoter group of the Company (Seller), Ipca Laboratories Limited (Acquirer) and the Company entered into a Share Purchase Agreement dated 24th April, 2023 (SPA) whereby the Acquirer agreed to purchase 2,35,01,440 fully paid-up equity shares of ₹ 2/- each, constituting 33.38 % of the fully diluted voting share capital of the Company (Shares), from the Seller, at a price of ₹ 440/- per equity share (Transaction). Dr. Mody transferred the said Shares to the Acquirer on 2nd August, 2023. The Acquirer is classified as one of the promoters of the Company and would be part of the promoter group along with the existing promoter/promoter group.

The Acquirer has already made an open offer to the public shareholders of the Company to acquire from them upto 26% of the fully diluted outstanding equity share capital of the Company at a price of ₹ 440/- per share aggregating to ₹ 805.44 crores under the relevant provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The Draft Letter of Offer (DLOF) in respect of the open offer was filed by the Acquirer with SEBI on 10th May, 2023. SEBI observations/comments on the DLOF are now received. The Acquirer will now proceed with the open offer as per the provisions of the said Regulations.

Pursuant to the Transaction, the Board of directors was re-constituted, the details of appointment/redesignation and resignation of directors in the course of such re-constitution are set out herein below under Directors and Key Managerial Personnel.

Management Discussion and Analysis

As required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations), a Management Discussion and Analysis, Report forms part of this Report as Annexure A.

Dividend

The Board of Directors has not recommended a dividend on the Equity Shares of the Company.

Dividend Distribution Policy

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy and is available on the Company's website <https://www.unichemlabs.com/dividend-distribution-policy.php>.

Transfer to Reserves

Your Directors do not propose to transfer any amount into the reserves.

Consolidated Financial Statements

The annual consolidated financial statements together with the report of the Auditors thereon form part of this Annual Report.

Sale of strategic investments of the Company

In November 2018, the Company had made a strategic investment in two Hyderabad based Active Pharmaceutical Ingredients (APIs) manufacturing company namely Optimus Drugs Private Limited (ODPL) and Oprix Laboratories Limited (Oprix) for a total consideration of ₹ 12,000.62 Lakhs by acquiring 19.99% of the issued and paid-up share capital of each of the said companies. Oprix was later merged into ODPL with no change in the overall shareholdings of the Company in the merged entity. Unichem held 19.99% of the equity share capital of ODPL.

In September 2022, Unichem sold its 19.97% equity shareholding held in ODPL on a fully diluted basis in the first

tranche to Sekhmet Pharmaventures Private Limited (Sekhmet), for an aggregate consideration of ₹ 27,098.99 Lakhs and sale of the second tranche consisting of the remaining 0.02% equity shares shall be sold for a price to be determined as per the said Share Purchase Agreement entered into between the Company, ODPL and Sekhmet after satisfaction of necessary conditions precedent. Please refer to the detailed Notes no.11 and 12 of the standalone and consolidated financial statements respectively which are self-explanatory.

Corporate Governance

As required under Regulation 34 of the Listing Regulations, a Report on Corporate Governance along with a Certificate of Compliance from the Auditors forms part of this Report as Annexure B.

Review of Subsidiaries and Associates

Your Company has six subsidiaries and one associate company. A statement containing salient features of the financial statements of the subsidiaries and associate company, pursuant to Section 129 of the Companies Act, 2013 (Act), and the Rules made thereunder, is annexed to this Report as Annexure C in the prescribed Form AOC -1 and hence not repeated here for the sake of brevity.

Please refer to detailed Note nos. 38, 42, 6 of the standalone financials and Note no. 6 of the consolidated financials for impairment of investments in its Wholly Owned Subsidiaries in Brazil, UK and Ireland and that of its associate Company.

Audited Financial Statements of subsidiaries are available on Company's website at www.unichemlabs.com and the same are also available for electronic inspection. Unichem Pharmaceuticals (USA) Inc, is a material subsidiary in accordance with the provisions of the Listing Regulations read with the Company's Policy on Material Subsidiaries which is available at <https://www.unichemlabs.com/policy-on-material-subsidiaries.php>.

Material changes and commitment, if any, affecting the financial position of the Company from the end of the financial year till the date of this Report

There were no material changes and commitment affecting the financial position of the Company from the end of the financial year till the date of this report. There has been no change in the nature of business of your Company.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013 (Act):

1. that in preparation of annual accounts for the year ended 31st March, 2023, the applicable

accounting standards have been followed and no material departures, have been made from the same;

2. that such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and Profit/Loss for that year;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts have been prepared on a going concern basis;
5. that the internal financial controls were in place and that they were adequate and operating effectively; and
6. that systems to ensure compliance with the provisions of all applicable laws were devised and such systems were adequate and operating effectively.

Directors and Key Managerial Personnel

Dr. (Mrs) B. Kinnera Murthy (DIN:1878144) retired as an Independent Non-Executive Director of the Company w.e.f. 21st March, 2023 after completion of her second term of five consecutive years. The Board of Directors had on the recommendation of the Nomination and Remuneration Committee (NRC), at their meeting held on 20th March, 2023 appointed Mrs. Priti Puri (DIN:07755966) as an Independent Non-Executive Director of the Company w.e.f. 21st March, 2023 for a term of three consecutive years, which was subsequently approved by the shareholders on 3rd May, 2023.

At the Board meeting held on 9th August, 2023, Dr. Prakash A. Mody (DIN:00001285) the Chairman and Managing Director of the Company stepped down from the role of Managing Director and was re-designated as a Non-Executive, Non-Independent Director, and Chairman of the Company w.e.f. 10th August, 2023, subject to the approval of the shareholders at the ensuing annual general meeting of the Company and whose office is liable to retire by rotation. Consequently, he ceased to be the Chairman of the Risk Management Committee, Corporate Social Responsibility Committee and Member of the Stakeholders' Relationship Committee.

Your directors wish to place on record their appreciation for the contributions made by Dr. Mody during his tenure as the Managing Director of the Company.

Mr. Pranay Premchand Godha (DIN:00016525) was appointed as the Non-Executive, Non-Independent Director of the Company w.e.f. 10th August, 2023 subject to the

approval of the shareholders at the ensuing annual general meeting of the Company, whose office is liable to retire by rotation.

Mr. Pabitrakumar Kalipada Bhattacharyya (DIN:07131152) was appointed as an additional director and Managing Director of the Company w.e.f. 10th August, 2023 for a period of three consecutive years subject to the approval of the shareholders at the ensuing annual general meeting of the Company who office is liable to retire by rotation.

Mr. Godha and Mr. Bhattacharyya are not disqualified as the Director in terms of Section 164 of the Act. They have given all the necessary declarations under the Act. They have also confirmed that they are not debarred from holding the office of a Director by virtue of any order passed by the SEBI or any such authority. The Company has received a notice pursuant to Section 160 of the Act from a Member signifying the intention to propose the appointment of Mr. Godha and Mr. Bhattacharyya as directors of the Company. Detailed profile of Mr. Godha and Mr. Bhattacharyya is aptly covered in the Notice of the 60th Annual General Meeting and not repeated here for the sake of brevity.

In accordance with provisions of the Act, Dr. Mody would retire by rotation at the ensuing annual general meeting. Being eligible, he has offered himself for re-appointment.

Mr. Dilip Kunkolienkar (Director Technical) ceased to be director w.e.f. 10th August, 2023. Consequently, he also ceased to be a Member of the Audit Committee and Risk Management Committee of the Board of Directors.

Your directors wish to place on record their appreciation for the contributions made by Dr. (Mrs) B. Kinnera Murthy and Mr. Dilip Kunkolienkar during their tenure as directors of the Company.

Consequent to the change in the board of directors, the Board committees were also reconstituted, the details of which are aptly covered in the Corporate Governance Report.

All the Independent Non-Executive Directors of your Company have submitted the declaration confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations and are not disqualified from continuing as Independent Non-Executive Directors. The Board is of the opinion that the Independent Non-Executive Directors of the Company including those appointed during the year possess requisite qualifications, expertise and experience and they hold highest standards of integrity. The Independent Non-Executive Directors of the Company have confirmed compliance with relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014.

During the year under review, the Non-Executive Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for attending Meetings of the Board/Committee of the Company and the dividend paid on the equity shares held by them.

In terms of Section 203 of the Act, as on 31st March, 2023, Dr. Prakash A. Mody, Chairman & Managing Director, Mr. Sandip Ghume, Deputy Chief Financial Officer, and Mr. Pradeep Bhandari, Head-Legal & Company Secretary were the Key Managerial Personnel of the Company. With the reconstitution of the Board of the Directors w.e.f. 10th August, 2023. Mr. Pabitrakumar Kalipada Bhattacharyya, Managing Director, Mr. Sandip Ghume, Deputy Chief Financial Officer, and Mr. Pradeep Bhandari, Head-Legal & Company Secretary shall be the Key Managerial Personnel of the Company.

Board Performance and Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual performance evaluation of the working of its performance, its Committees, and the Directors individually. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation, the Directors who were subject to evaluation did not participate. A structured questionnaire was prepared after taking into consideration inputs received from the Directors covering various aspects of the functioning of the Board and its Committees.

The evaluation of the Directors was done on various parameters such as vision and strategy, Board participation, Board disclosures of interests, review of management policies, strategy, compliances, and leadership skills. The Directors expressed their satisfaction with the evaluation process.

Salient Features of the Nomination and Remuneration Policy

The Board, on the recommendation of the Nomination and Remuneration Committee, has adopted a policy for the selection, appointment, and remuneration of Directors, Key Managerial Personnel, and Senior Management. The policy is available on the Company's website at

<https://www.unichemlabs.com/nomination-and-remunerationpolicy.php>.

The Company considers human resources as its invaluable assets. The Company pays to its employees by way of salary, benefits, perquisites and allowances and annual increments are linked to the overall individual performance. The Remuneration policy for all employees is designed to attract, retain and motivate talented personnel.

Whole-time/ Managing Director

The Company pays remuneration by way of salary, perquisites, and allowances (fixed component) and commission (variable components wherever applicable as per terms of appointment) to its Whole-time Directors. Salary is paid based on the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors, subject to the approval of the Shareholders within the limits stipulated by the Act and the Rules made thereunder. The remuneration paid to the Whole Time Directors is determined keeping in view the industry benchmark and the relative performance of the Company compared to the industry performance.

Non-Executive Directors

Non-Executive Directors receive sitting fees for attending Meetings of the Board and its Committees as per the provisions of the Act and the Rules made thereunder. Besides payment of sitting fees and Dividends on equity shares, if any, held by the Directors, no other remuneration is paid to the Non-Executive Directors.

Key Managerial Personnel (KMP) and other Employees

The remuneration of KMP other than the Executive Directors and other Senior Managerial Employees largely consists of basic salary, perquisites, allowances and performance incentives (wherever paid). Perquisites and retirement benefits are paid according to the Company's policy. The Company while deciding the remuneration package takes into consideration the current employment scenario and remuneration package prevalent in the industry and peer group companies.

Significant and Material Orders passed by the Regulators /Courts/Tribunals

During the year under review, no significant or material orders were passed by the regulators or courts or, tribunals which impact the Company's going concern status and its operations in the future.

However as reported earlier on 9th July, 2014, the European Commission (EU) decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd (Niche) contending that they had acted in breach of EU competition law as Niche Generics Ltd had, in early 2005 (when the Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company and Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, have filed appeals against the decision of General Court before the Court of Justice of the EU and the

outcome of the appeals are awaited. The auditors qualification and response of the management on the above matter has been dealt under Note 3 of the Auditors standalone and consolidated audit report and under Notes 38 and 39 of the standalone and consolidated financial statements respectively which are self-explanatory.

Corporate Social Responsibility (CSR)

The terms of reference of the CSR Committee and its constitution are provided in the Corporate Governance Report. Your Company has also formulated a CSR Policy, which is available on the website of the Company at <https://www.unichemlabs.com/corporate-social-responsibility.php>. Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended (CSR Rules) is annexed as Annexure D and forms an integral part of this Report.

Statutory Auditors

As per Section 139 of the Companies Act, 2013, read with your Companies (Audit and Auditors) Rules, 2014, the members of the Company at the 59th Annual General Meeting of the Company (59th AGM) approved the appointment of M/s. N. A. Shah Associates LLP, Chartered Accountants (Firm Registration No. 116560W/W100149) (M/s. N.A. Shah), as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 59th AGM till the conclusion of 64th AGM. The Report given by M/s. N.A. Shah on the Financial Statements of your Company for the financial year ended 31st March, 2023 is part of the Annual Report. The Notes on the Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any comments.

The Auditor's Report does not contain any other qualification or reservation, adverse remark or disclaimer except for the audit qualification and emphasis of matter as detailed in note no. 3 of their standalone and consolidated audit report. The response of the management on the above is given in Note no. 38 and 39 of the Standalone and consolidated financial statements respectively.

N.A. Shah have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company. The said auditors have confirmed that their firm has been subjected to the peer-review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the Peer Review Board of the ICAI.

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act and therefore no details are disclosed under Section 134 (3) (ca) of the Act.

Cost Auditors

Your Company is required to make and maintain cost records as specified by the Central Government under sub-section (1)

of Section 148 of the Act. Accordingly, your Company has been making and maintaining such cost records as per the requirements. In terms of Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No. 00294) being eligible, as Cost Auditors of the Company, to carry out the cost audit of the products manufactured by the Company in relation to the financial year ending 31st March, 2024. Your Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and Rules framed thereunder. The Cost Auditors have confirmed they are not disqualified to be appointed as the Cost Auditors of your Company for the year ending 31st March, 2024. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee. In terms of the Act and Rules thereunder requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the 60th AGM of your Company. In the opinion of the Directors, considering the limited scope of audit, the proposed remuneration payable to the Cost Auditors would be reasonable and fair and commensurate with the scope of work carried out by them. The Cost Audit Report for the year ended 31st March, 2023 was filed with the Ministry of Corporate Affairs on 2nd August, 2023.

During the year under review, the Cost Auditors have not reported any matter under Section 143 (12) of the Act, and therefore no details are disclosed under Section 134(3) (ca) of the Act.

Secretarial Audit

The Secretarial Audit was carried out by Alwyn Jay & Co, Company Secretaries (PCS Registration No. 6915) for the financial year ended 31st March, 2023. The Report given by the Secretarial Auditors is set as Annexure E and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer except for their observations which are self-explanatory and detailed in the Secretarial Audit report.

During the year, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act. In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed Alwyn Jay & Co, Company Secretaries as the Secretarial Auditors of the Company for the financial year ending 31st March, 2024. Your Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The Secretarial Auditors have confirmed that they are not disqualified to be appointed as the Secretarial Auditors of the Company for the financial year ending 31st March, 2024.

Compliance with Secretarial Standards

During the financial year 2022-23, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India as amended.

Meetings of Board

During the year, six Board Meetings were held, the details of which are given in the Corporate Governance Report.

Particulars of Loans, Guarantees, and Investments

Details of Loans, Guarantees, and Investments covered under the provisions of Section 186 of the Act are given in the notes to the financial statements.

Related Party Transactions

During the year under review, prior approval of the Audit Committee and Board of Directors was sought for Related Party Transactions (RPTs) wherever required. The RPTs entered by the Company with the related parties were on arm's length basis and in ordinary course of business. Further, the Company had not entered into any RPT with related parties (save and except transactions with the Company's Wholly Owned Subsidiaries), which could be considered as material in accordance with the Company's Policy on materiality of RPTs or which are required to be reported in Form AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and the weblink is <https://www.unichemlabs.com/related-party-transactions-policy.php>.

Except to the extent of the shares held in the Company and the remuneration drawn from the Company, none of the Directors and Key Managerial Personnel have any pecuniary relationships or transactions *vis-à-vis* the Company.

Risk Management

Your Company has developed and implemented a Risk Management Policy and in the opinion of the Board of Directors, during the year, there were no elements of risks identified which may threaten the existence of the Company. Details of the constitution of the Risk Management Committee are given in the corporate governance report. A detailed section on Risk Management practices of the Company is included in the Management Discussion and Analysis Report.

Internal control systems and their adequacy

Internal controls are the backbone of governance. The Company has in place systems, policies and procedures for ensuring efficient conduct of its business, prevention and detection of frauds and errors with remedial measures and safeguard of the company's assets. These financial controls also ensure the accuracy and completeness of the

accounting records and the timely preparation of reliable financial statements as per the regulatory requirements. The monitoring of these controls are undertaken by the audit committee through periodic management reviews. The internal audit team does independent audits of various risk areas as per pre-approved internal audit plans. A detailed section on internal control is included in the Management Discussion and Analysis Report.

Committees of the Board

The Board has constituted five committees, viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee. All the recommendations made by these Committees were accepted by the Board. Details of committees, their composition including their reconstitution post the change in the Board of Directors, meetings held, etc. are provided in the Corporate Governance Report.

Whistle Blower Policy

Your Company has zero tolerance for any form of unethical conduct or behaviour and it adheres to uncompromising integrity in the conduct of its business. The Company has in place a Whistle Blower/Vigil Mechanism through which its Stakeholders, Directors, and Employees can report genuine concerns about unethical behaviour and actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics. The Policy provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no person has been denied access to the Audit Committee. The said policy is posted on the intranet and website of the Company. The e-mail ID for reporting genuine concerns is whistleblower@unichemlabs.com.

Energy Conservation, Technology Absorption, and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Section 134(3)(m) of the Act and Rules made thereunder are set out in Annexure F to this Report.

Particulars of Employees and related disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, are annexed as Annexure G to this Report.

In terms of the provisions of Section 197(12) of the Act and Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, details of employee's remuneration, form part of this Report. However, as per the provisions of Sections, 134 and 136 of the Act, the Report and financial statements are

being sent to the Members and others entitled thereto, excluding the information on employees' particulars. Any Member interested in obtaining a copy of the same may write to the Company Secretary at shares@unichemlabs.com.

Business Responsibility and Sustainability Report

In terms of Regulation 34 of the Listing Regulations, read with relevant SEBI Circulars, new reporting requirements on ESG parameters were prescribed under Business Responsibility and Sustainability Report (BRSR). The BRSR seeks disclosure on the performance of the Company against nine principles of the National Guidelines on Responsible Business Conduct (NGRBCs). As per the SEBI Circulars, effective from the financial year 2022-23, filing of BRSR is mandatory for top 1000 listed companies by market capitalisation. BRSR is annexed as Annexure H and forms an integral part of this Annual Report.

Employees Stock Options Scheme 2018

The Company had implemented the Unichem Employee Stock Option Scheme 2018 (Scheme) which was duly approved by the Shareholders vide a Special Resolution passed through Postal Ballot Meeting held on 15th May, 2018. This scheme is administered by the Nomination and Remuneration Committee.

52,75,275 Options were approved out of which 15,12,224 were granted and were due for exercise in terms of the said scheme and more detailed in the below annexure posted on the website of the Company. Subsequent to the year ended 31st March, 2023, all the outstanding 15,12,224 ESOPs have been surrendered by the employees of the Company and that of its Subsidiary. Accordingly, the balance in ESOP reserve will be transferred to retained earnings on the date of surrender.

Disclosure of details of the Scheme as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are posted on the Company's website at <https://www.unichemlabs.com/annual-report.php>.

M/s. Alwyn Jay & Co., Secretarial Auditors have issued certificate confirming that the Scheme has been implemented in accordance with the SEBI Regulations and the resolution passed by members at the general meeting. The certificate will be available for inspection by members.

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

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual

harassment. The policy has set guidelines on the redressal and inquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the workplace. All women employees (permanent, temporary, contractual, and trainees) are covered under this policy. The policy also provides for the requisite checks, balances, and safeguards to ensure that no employee is victimized or harassed for reporting and bringing up such incidents in the interest of the Company. The ICC received one complaint which was addressed during the year.

Extract of Annual Return

In accordance with the provisions of Section 92(3) and Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 of the Act, Annual Return of the Company is hosted on the website of the Company at <https://www.unichemlabs.com/annual-report.php>.

Credit Rating

The Company's banking facilities are rated by ICRA. ICRA has rated the Company's long-term rating to [ICRA] A- (Stable) (pronounced ICRA A minus with a stable outlook). This rating indicates an adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

General

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to: (a) details relating to deposits covered under Chapter V of the Act; (b) changes in share capital; (c) issue of equity shares with differential rights as to dividend, voting or otherwise; (d) raising of funds through preferential allotment or qualified

institutions placement; (e) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and (f) instance of one-time settlement with any bank or financial institution.

Acknowledgement

Your Directors acknowledge the support and wise counsel extended to the Company by customers, bankers, government agencies, suppliers, shareholders, and others associated with the Company as its business partners. Your Directors also acknowledge the trust reposed in the Company by the medical fraternity and patients. We look forward to having the same support in our mission to enhance health through quality products.

For and on behalf of the Board of Directors,

Dr. Prakash A. Mody

Mumbai
9th August, 2023

Chairman and Managing Director
(DIN: 00001285)

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY

The global economy remains subdued due to unprecedented high inflation, ongoing war in the Eurozone, and financial sector turmoil. Monetary tightening among the advanced economies central banks has been faster and sharper than seen in recent history. This has affected the global economy adversely with many advanced countries slowing down and expected to grow half as fast as last year with consumption being squeezed by higher cost of credit and inflation.

Before the Ukraine war, the global recovery from the pandemic was expected to continue with the progress of global vaccination and supportive macroeconomic policies in the major economies. Global trade was impacted due to renewed bottlenecks in the supply chain, increased energy prices, and aggravating inflationary pressure. Thus leading to a slowdown in trade growth.

The global economy is now showing signs of improvement but remains fragile. There has been some respite with lower energy prices, and earlier than expected reopening of China from the zero-tolerance COVID policy, providing a boost to global activity. However, the impact of higher interest rates is increasingly felt across the economy. As the world grapples with economic uncertainty, India though bounds to be impacted by global developments is still predicted to grow highest at around 6% this fiscal year. This has been made possible through a combination of structural reforms, prudent regulatory actions, and smart policy manoeuvres including Production Linked Incentives to boost the manufacturing sector.

GLOBAL PHARMA MARKET

The pharmaceutical sector has grown quickly in recent years, and by 2023 it is anticipated to reach US\$ 1.5 trillion. With the use of cutting-edge digital platforms, big data analytics, cloud computing, and Artificial Intelligence (AI), the sector is undergoing a transition. India's pharmaceuticals industry is at the global forefront as 'the Pharmacy of the World,' ranking third in terms of pharmaceutical production by volume.

The market size of the Indian pharmaceuticals industry is expected to reach US\$ 65 billion by 2024, and US\$ 130 billion by 2030. According to government data, the Indian pharmaceutical industry is worth approximately US\$ 50 billion with over US\$ 25 billion of the value coming from exports. About 20% of the global exports in generic drugs are met by India.

Research & Development (R&D) will be the core that will power the pharma sectors future growth. Indian companies as compared to advanced countries are spending low on R&D, an effective fiscal incentive for research by the government can provide a necessary boost to the research expenditure in the sector.

Currently, the pharma sector in advanced economies is growing at a slower annual rate due to lesser new product approvals, price erosions due to generics competition and loss of exclusivity. In contrast, emerging pharmaceutical markets is growing at a faster rate driven by improved per capita income, increased access and rising awareness of modern medicines and strengthening of healthcare infrastructure.

India's pharmaceutical exports to the African market dipped 5% in FY23. African continent contributed 18% to the total US\$ 19.9 billion in exports of finished pharma products. The exports in this region had suffered due to political uncertainty, currency issues and poor economic growth. The growth in Sub-Saharan Africa, Latin America baring Brazil and the Caribbean continues to remain fragile.

Today, India is a leader in the global pharma landscape, particularly when it comes to formulations. An estimated 40% of generic formulations to the US comes, from India. The Indian pharmaceutical companies have faced strong headwinds, and particularly in the US led by higher competitive intensity, and supply chain constraints due to China zero COVID approach restricting cargo supplies impacting growth of the sector during the year under review.

GENERICS AND GENERIC FORMULATION

The global generic pharmaceuticals market is expected to grow from US\$360 billion in 2023 to US\$450 billion in 2027 at a CAGR of 6.0%.

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. A recent report by Candle Partners has revealed that for the past five years, the sales growth rate of generic formulation companies in the sector has been low with the US business largely remaining flat.

The market for generic business will grow as the government is expected to invest more in the health sector and increase the expenditure to reduce their budgets by showing more inclination towards generic formulations.

The rising incidence of chronic diseases is one of the major drivers of the generic pharmaceutical market. Branded drugs come at a premium price, while generic drugs are available at a lower cost and have the same chemical composition as branded drugs. Unichem has a strong footprint in the generic business for more than seven decades and has been at the forefront of supplying affordable medicines for patients and it offers a wide array of medicines in various therapeutic segments. The Company is exclusively in international business and the products manufactured are exported to many developed as well as developing countries.

India accounted for 48% of the total Abbreviated New Drug Applications (ANDAs) approved by the FDA in 2022. The

country ranks first when it comes to the number of USFDA approved plants outside the US at over 530. The US imports \$7.3 billion worth pharmaceuticals products from India.

API MARKET

The Active Pharmaceutical Ingredients (APIs) market is expected to cross US\$ 300 billion by 2028 showing a growth rate (CAGR) of 5.6% during the period 2023-28. Currently, India has 85% import dependency on APIs from other countries, especially China. The country imports APIs worth ₹ 35,000 crore each year from China, which is dominant in APIs.

The API market has undergone immense changes due to supply chain disruption during COVID. Countries such as India are being preferred under the China+1 policy as entities attempt to mitigate the risk of dependency on a single territory for such products. The global demand for APIs is currently exhibiting strong growth. One of the major drivers of this market is the rising number of blockbuster patent expiries, creating a significant opportunity for generic APIs. Moreover, there has been a strong demand for APIs for biologicals.

The global market for biologicals is currently exhibiting strong growth catalysed by their high potency and ability to treat diseases beyond the scope of small molecule drugs. This is creating a strong demand for APIs for branded biological drugs and their biosimilar versions. Other factors catalysing the global demand of APIs include aging population, rising expenditures on healthcare, increasing prevalence of lifestyle diseases, etc.

During the year the Company has sold its stake in Optimus Drugs Private Limited which is engaged in the business of APIs and intermediates as it has built up the capacities at its APIs plant in Kolhapur, Roha, and Pithampur.

MANUFACTURING OPERATIONS

During 2022-23, all our plants continued to deliver as per the strategic plans. US being our core market started showing higher demand in the later part of the year. Your Company continued its focus on compliance commitment under various governmental health authorities including United States Food Drug Agency (USFDA) at its plants. Brazil has shown significant northward demand. During 2022-23, 90 % of supply to Africa, Commonwealth of Independent States (CIS), and Asia countries was catered from Baddi. Additionally, Goa Unit-2 got into commercial manufacturing.

Unichem's manufacturing operations are heavily regulated by governmental health authorities around the world, including the USFDA, Medicines and Healthcare Products Regulatory Agency (MHRA), Ministry of Health of the Russian Federation, European Medicines Agency (EMA), Health Canada etc, which endorse the quality and safety of the product. The Company has continued improving Environmental Health and Safety

(EHS) capability by sustained functioning of state-of-the-art Multi Effect Evaporator (MEE)/Agitated Thin Film Dryer (ATFD) and Reverse Osmosis Systems at all three API sites.

Unichem has been successfully maintaining high-quality standards as per the cGMP (Current Good Manufacturing Practice) guidelines issued by USFDA, European Union (EU) and other global regulators. During the year under review, Unichem successfully underwent SAHPRA, JAZMP Slovenia, NPRA Malaysia, EMA Hungary, and Kenya audits at the Baddi manufacturing site and Kenya Audit at Ghaziabad location. Your Company not only delivered multiple debottlenecking projects but also carried out multiple GMP upgrades.

OPPORTUNITIES AND THREATS

The pharma sector growth will be driven by improved access to healthcare, new product launches, and burgeoning hospital infrastructure. The global race to develop effective treatments and vaccines coupled with increased spend on healthcare facilities should continue to provide growth going forward. Increasing use of pharmaceutical generics in developed markets to reduce healthcare cost should provide attractive growth opportunities to generics manufacturers and thus Indian pharmaceutical industry is poised for an accelerated growth in the coming years.

India will continue to be the fastest-growing major economy, supported by increasing consumption and investment. Slowing global growth may act as a drag on output, but our rising share of global manufacturing should provide buffer and insulation.

Climate change is gaining prominence as a cause of concern, impacting cost profiles and supply chains. Companies will need to adjust supply chains to mitigate exposure to geopolitical conflicts, innovating climate-friendly products or processes to contain cost profiles and supply chains. Organisations in order to remain viable will need to reinvent, reconfigure, and invest in technology transformation for their businesses and work culture to thrive. Improving R&D investments and productivity is going to be one of the major challenges for companies in this sector.

India is offering itself as an alternative manufacturing base to China in a growing list of industries including the pharma sector through investment incentives. Public investment in infrastructure and logistics could facilitate manufacturing exports on a broader level.

Pharmaceutical companies in view of geopolitical developments are pushing to make their supply chains more affordable, sustainable, and efficient. Working on the vision of reducing import dependency through indigenous production, the government is also focussing on the production of high value pharmaceuticals by providing incentives under the Production Linked Incentives (PLI) scheme to remain cost-efficient.

Indian economy is expected to grow more than the rest of the countries. It is assumed that things should only improve from now on as the business returns to normalcy after the pandemic. As technology shapes the future, the pharma sector is looking at Industry 4.0 manufacturing techniques as solutions to rising complexity and costs in manufacturing. Smart autonomous factories managed with data and machine learning should lower pharma manufacturing costs. With access to many analytical, Artificial Intelligence (AI), and machine learning tools to gather and analyse data, we believe it is time for pharma companies to employ digitalization at a much greater scale and move beyond the conventional models to solve future challenges and reap more benefits.

Your Company has built new capacities across locations and has strengthened its product portfolio including drug discovery and development, drug production, smart process automation, and supply chain management. With this, your Company is confident of unfolding market opportunities in the future.

RESEARCH AND DEVELOPMENT

Over the years, Unichem has invested significantly in Research and Development (R&D) to create state-of-the-art R&D facilities. Unichem has constantly strived to inculcate advanced therapies and cutting-edge technologies for the benefit of its stakeholders.

To accelerate Generic research, Unichem brought all its facets at a centralised location in the Centre of Excellence [CoE], Goa since the year 2012, which includes API Process Research, and Analytics, Formulation Development and Analytics, Clinical Research, and Intellectual Property Management. This ensures seamless technology transfer, testing, and roll-out of new products.

Formulation research is a major thrust area in the development of generic formulations and has a self-contained product development laboratory that meets the current Good Manufacturing Practice (cGMP) requirements. It is fully equipped to conduct pre-formulation studies, prototype development, scale-up and optimisation, and technology transfer of oral solid dosage forms. The developmental activities are supported by a proficient Analytical Research Development team and a well-equipped laboratory. The R&D facility aims at developing formulations so that products can be sold in regulated markets as well as pharma-emerging markets apart from selective contract formulation development for generic companies to tap regulated markets.

R&D till date had developed 72+ ANDAs and 76 DMFs across markets and therapeutic categories. We expect an increase in the number of filings and approvals in time to come. During the year under review, Unichem had filed three Certification of Suitability of European Pharmacopoeia (CEP), one China DMF, two Canadian DMFs and initiated new API development for API Marketing purposes.

This financial year, the R&D efforts were strategically focused on reverse engineering, launch planning and cost rationalization efforts. The sustained efforts of R&D over the years resulted in five ANDA approvals and four launches in the largest generic market of USA and two launches in South Africa. We have submitted one ANDA, two Brazil submissions and five dossiers in emerging markets. We expect an increase in the number of filings and approvals in time to come.

FINANCIAL PERFORMANCE

Consolidated Operations

The Company registered Revenue from Operations of ₹ 1,34,302.22 Lakhs during the financial year 2022-23 as against ₹ 1,26,983.22 Lakhs in the previous year, representing a growth of 5.76%.

The loss after tax for the financial year 2022-23 (including exception items of ₹ 3,856.64 Lakhs) is ₹ 20,222.76 Lakhs as compared to the profit of ₹ 3,306.17 Lakhs in the previous year.

Standalone Operations

During the financial year 2022-23, the Company registered Revenue from Operations of ₹ 1,07,243.22 Lakhs as against ₹ 94,292.66 Lakhs in the previous year, representing a growth by 13.73%.

The loss after tax for the fiscal year 2022-23 (including exceptional items of ₹ 11,266.44 Lakhs) is ₹ 29,970.19 Lakhs against the loss after tax in the previous year of ₹ 5,542.96 Lakhs.

Capital expenditure carried out during the financial year 2022-23 was ₹ 4,204.82 Lakhs.

The gross profit margin at the Consolidated level for the financial year 2022-23 was lower by 8% over the previous year mainly due to pricing pressure and a change in product mix.

The US business is critical to Unichem as it contributes over 57% of revenues and has been a key growth driver for the Company. The year was marred by price erosion (amid inventory destocking) in the US generics business, elevated prices of intermediates, and persistently higher freight costs which abated as we moved towards the end of the year. Increased stability in US generics was a respite but sustained momentum will be critical to drive overall growth.

Your Company is confident that with the strong processes in place and all plants being fully compliant with various regulations across the globe, we will be able to leverage our manufacturing excellence from the future economic upswings.

As we march into the upcoming year with strong momentum leveraging our vast product portfolio and knowledge, along with 70+ years of hard work, innovation, and dedication, we will continue to create significant value for everyone associated with us.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations is being provided under note no. 56 of the standalone financial statements.

RISK AND CONCERNS

In today's world, the external and internal environment is changing at an ever-increasing pace which, in turn, requires businesses to not only manage the existing risks but anticipate emerging risks and deploy mitigating strategies on a continuous basis.

The pharma sector is highly regulated and subject to pricing authority, maintaining and complying with regulatory changes will always remain a challenge. The major factor affecting growth includes drug price control policies across various countries, frequent changes in stringent regulatory policies, and on the administrative front such as delayed receipt of input tax credits resulting in a working capital mismatch on the full supply chain as Company is fully into international business.

Focus on quality assurance assumes greater significance now as Indian drug exporters have come under the scanner in semi-regulated countries for making substandard or contaminated drugs.

Another high risk such as cyber attacks could result in the loss of data and confidential information having an adverse impact on the company's operations. Off late, many pharmaceutical supply chains have been affected by cyber-attacks leading to investing more money in cybersecurity measures. Your company has developed a comprehensive and multilayer security system in place to identify any possible breach of security. The Company uses technology to standardise operations, access restrictions, firewalls, and backups. As technology advances, artificial intelligence or smart software solutions will be the driver to improve the processes including supply chain and manual processes will be further digitalised.

Your Company has constituted a Risk Management Committee, which oversees risk management activities. The Company's risk management initiatives are periodically updated to the Committee. The Company's assets continue to be adequately insured against various risks.

OUTLOOK

As the world grapples with the prospect of a slowdown, India is emerging as a heroic expander of output. India's share of

global exports is currently at just over 2%, a figure where Government aims to raise to 10% by 2047. As China's economic expansion tapers off after a sustained run of near double-digit expansion, India's economy is being seen as a candidate for a similar trajectory. The Government with its PLI scheme for various sectors including for pharma and its efforts on structural reforms in critical areas such as labour, logistics, health and education is expected to provide a boost to the manufacturing sector, which will also contribute to increasing the exports.

The government has further identified research, innovation and technology as the key drivers of its Vision India@2047 and is making significant efforts to increase investments in these areas.

Given India's advantage in scientific excellence, the country can innovate and drive technology to boost productivity and efficiency in the sphere of healthcare. The roadmap to achieve lies in our abilities to pursue cutting-edge research and innovation, having a robust regulatory framework, attractive Research Linked Incentives for providing the impetus to increase R&D investments for the necessary growth of the pharmaceutical industry.

The industry is pinning hopes on reduced competitive intensity in the US and also new launches to help drive performance, though remain cautiously optimistic.

Given the scale of India's requirements and potential in the sector to increase output and create jobs, government focus on creating enabling conditions should help the manufacturing and pharmaceutical sectors in general.

INTERNAL CONTROL SYSTEMS

The Company has an adequate internal control system commensurate with the nature and size of its business operations. The Company views internal audit as a vital part of its management control system that keeps management informed about the working and processes of the organisation. These systems provide reasonable assurance that (i) the transactions are authorized, recorded, and reported diligently (ii) the internal policies and procedures are adhered to (iii) it safeguards the resources and assets of the Company (iv) it maintains accuracy and completeness of accounting records, and (v) it mitigates operational and business risks.

Internal audit and the Information Technology functions are indispensable parts of management control systems, responsible for keeping the management updated about the adequacy and efficacy of the control systems. As part of continuous upgradation, we have in place the latest technology (encrypted) of hardware to maintain a back-up of data. This is also applicable for 'Data restoration' activity within a few hours instead of days to establish the Business IT continuity plan. In case of cybersecurity, state-of-the-art firewall technology is installed and monitored centrally to

secure our infrastructure and data. A disaster recovery mechanism is in place for business applications and quality instrumental data.

The Company, during the year, reviewed its Internal Financial Control (IFC) systems and strived to establish a more robust and effective IFC framework. The Internal Audit function reviews the adequacy of controls of the processes. Suggestions to further strengthen the processes are shared with the respective process owners.

The internal audit plan is made at the beginning of the year after it is duly approved by the Audit Committee and its reports are shared with the statutory auditors. These plans are executed by the internal audit team with the support of external audit professionals wherever required. The management duly considers and takes appropriate and timely actions on the recommendations made by the audit committee, statutory auditor, cost auditor, and internal auditor. The Audit Committee reviews significant observations, along with management response and status of action plans.

HUMAN RESOURCES

“In the middle of every difficulty lies opportunity.” – Albert Einstein

This quote explains how turbulent times turn into new paths and lead us to open new doors and opportunities and keep moving forward. Post COVID, Companies across the world found ways to overcome challenges, navigate through the situation, ensure safety, and still maintain business continuity.

Unichemities also persisted in steering their efforts toward business continuity and safety. The mindset of safety is now embedded in the culture of the organization. Unichem ensured double vaccination for all employees and covered most employees for booster doses as well. This ensured the safety of our employees and their families.

Upskilling employees and helping them shape their career aspirations has been a focal point of the organization. To facilitate this objective, regular programs like Train the Trainer, multiskilling of shop floor technicians, skill upgradation platforms, and communication elevation programs were arranged. We continued to engage with technical educational institutes to source skilled talent. Post-pandemic, industry visits were also re-initiated to provide students of pharmacy, science, and management an opportunity to visit manufacturing facilities.

Our cross-functional implementation team has successfully implemented SAP Success Factors Learning Management System (LMS) across all our sites under Unichem Learning Academy and all employees have been onboarded. More than ten thousand courses have been completed by our employees through LMS and acceptance of the system has been high. Since its implementation, there are significant

improvements in training compliances, with ease of obtaining accurate and simplified training records. It aids in tracking and accessing the records seamlessly. The flexibility, consistency, and personalization received through the digitalized learning system has provided enhanced learning experiences. Analytics of training records helps us be efficient and cost-effective.

Rewarding employees and fuelling their motivation is the backbone of any organization's growth; this was ensured by our rewards and recognition program. To strengthen the bonds with the employees, Unichem extended warm gestures to their families by rewarding their meritorious children and meeting their families on several occasions.

The online compliance dashboard, developed in-house to manage statutory labour law compliances, has facilitated presenting of a complete overview of the compliance process in an easy-to-use manner. It aided in gathering and interpreting the data and identifying any anomalies to take immediate action to avoid noncompliance.

Unichem continued to have harmonious relationships with its Union representatives. The number of employees as on 31st March, 2023 was 3,123. On behalf of our leadership team we thank all our employees for their trust and ongoing support.

Dr. Prakash A. Mody

Mumbai
9th August, 2023

Chairman & Managing Director
(DIN: 00001285)

CORPORATE GOVERNANCE REPORT

A brief statement on listed entity's philosophy on Code of Governance

Corporate Governance is the underlying corporate philosophy that governs the way a corporation is managed. It is a mechanism by which principles, policies and procedures of a Company are built on the foundation of fundamental ethical values. The Corporate Governance framework typically comprises elements of legislation, regulation, and ethical business practices.

The Company's philosophy on corporate governance is to ensure that adequate control systems exist to enable the Board to effectively discharge its responsibilities, ensuring fiscal accountability, ethical corporate behaviour, and fairness to all stakeholders. The Company has laid down well-developed systems and processes for internal controls across all its operations and adequate, timely, and accurate disclosure of all material, operational, and financial information is made to the stakeholders. The Company continues to focus its resources, strengths, and strategies to achieve its mission of enhancing

health through quality products while upholding the core values of excellence, empowerment, and responsibility.

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and applicable provisions of the Companies Act, 2013 (the Act), a report on Corporate Governance which is in line with the Listing Regulations is detailed below:

Board of Directors

Composition, attendance of Directors at Board Meetings and the last Annual General Meeting (AGM) other Directorships and Memberships and/or Chairmanships held by each Director

The Board of Directors has a responsibility for the management of the Company's affairs. In terms of the requirements under Corporate Governance, all material information is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company.

Table-1: Composition of Board and attendance of Meetings during the year 2022-23

Name	Category	No. of Board Meetings held during the year 2022-23		Whether attended last AGM	No. of Directorships in other public companies*	No. of committee positions in other public companies**		Name of listed companies where directorship is held and its category
		Held	Attended			Member	Chairman	
Dr. Prakash A. Mody (DIN: 00001285)	Executive Director (Chairman & Managing Director - Promoter)	6	6	Yes	1	0	0	Kewal Kiran Clothing Limited - Non-Executive, Independent Director
Mr. Dilip Kunkolienkar (DIN: 02666678)	Director Technical (Executive Director)	6	6	Yes	0	0	0	Nil
Mr. Prafull Anubhai (DIN: 00040837)	Non-Executive, Independent Director	6	6	Yes	1	0	1	Vardhaman Textiles Limited - Non-Executive, Independent Director
Mr. Anand Mahajan (DIN: 00066320)	Non-Executive, Independent Director	6	6	Yes	0	0	0	Nil
Mr. Prafull Sheth (DIN: 00184581)	Non-Executive, Independent Director	6	6	Yes	0	0	0	Nil
Dr. (Mrs.) B. Kinnera Murthy*** (DIN: 01878144)	Non-Executive, Independent Director	6	4	Yes	2	0	0	Nil
Mrs. Priti Puri**** (DIN: 07755966)	Non-Executive, Independent Director	NA	NA	NA	0	0	0	Nil

* Excludes Directorships in Private Limited Companies, Foreign Companies (including foreign subsidiaries of the Company) and Companies under Section 8 of the Act.

** Covers only Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

*** Dr. (Mrs.) B. Kinnera Murthy (DIN:1878144) was appointed as a Non-Executive Independent Director of the Company for a second term of five years w.e.f. 21st March,2018. In accordance with the provisions of Section 149 (1) of the Act, an Independent Director cannot be appointed for more than two consecutive terms. Accordingly, Dr. (Mrs.) Kinnera Murthy ceased to be an independent Director of the Company w.e.f. 21st March, 2023.

**** The Shareholders of the Company vide a Special Resolution dated 3rd May, 2023 through Postal Ballot have appointed Mrs. Priti Puri (DIN: 07755966) as an Additional Non-executive Independent Director of the Company w.e.f. 21st March, 2023 for a period of three consecutive years.

The number of Directorships and the positions held by them on Board Committees are in conformity with the limits on the number of Directorships and Board Committee positions as laid down in the Act and the Listing Regulations, as on 31st March, 2023.

W.e.f. 10th August, 2023, pursuant to Share Purchase Agreement dated 24th April, 2023 executed between Ipca Laboratories Limited, Dr. Prakash A. Mody and the Company, Dr. Mody resigned as the Managing Director of the Company and was re-designated as a Non-Executive, Non-Independent Director, Chairman of the Company subject to the approval of the shareholders at the ensuing annual general meeting of the Company.

W.e.f. 10th August, 2023, Mr. Pranay Premchand Godha (DIN:00016525) was appointed as the additional director of the Company in the category of Non-Executive, Non-Independent Director subject to the approval of the shareholders at the ensuing annual general meeting of the Company.

W.e.f. 10th August, 2023, Mr. Pabitrakumar Kalipada Bhattacharyya (DIN:07131152) was appointed as the additional director to hold office upto the ensuing annual general meeting and Managing Director of the Company for a period of three years subject to the approval of the shareholders at the ensuing annual general meeting of the Company.

Mr. Dilip Kunkolienkar (DIN: 02666678) resigned as the director of the Company w.e.f. 10th August, 2023.

As on 31st March, 2023, Unichem's Board comprised of six Directors, namely two Whole-time Directors and four Non-Executive and Independent Directors out of which, one is an Independent Woman Director. The Company plans its Board and Committee Meetings well in advance. Unichem's Board met six times during the year under review namely 10th May, 2022, 27th May, 2022; 9th August, 2022; 11th November, 2022; 6th February, 2023 and 20th March, 2023 as given in **Table 1**. The intervening period between two Board Meetings was well within the time limit prescribed in the Act, and the Listing Regulations as amended from time to time. The last AGM of the Company was held on 9th August, 2022.

Independent Directors' Meeting

During the year under review, the Independent Directors met on 6th February, 2023 *inter-alia*, to:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- Assess the quality, quantity, and timeliness of the flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors attended the Meeting.

Disclosure of relationships between Directors *inter-se*

In terms of Regulation 36(3)(c) and Schedule V(C)(2)(e) of SEBI Listing Regulations, none of the Directors are related to each other.

A list of core skills/expertise/competencies identified by the Board of Directors and the Directors who possess the skill as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board is given in List-A.

Confirmation by Independent Directors

All Independent Directors have declared that they meet the criteria of Independence as laid down under Section 149(6) of the Act and Regulation 16(b) of the Listing Regulations. The Board confirms that the Independent Directors fulfill conditions specified in the Listing Regulations and are independent of the Management.

Business Responsibility and Sustainability Report

Regulation 34(2) of the Listing Regulations, *inter-alia*, provides that the Annual Report of the top 1000 listed entities based on their market capitalization (calculated as on 31st March of every financial year), shall include a Business Responsibility and Sustainability Report (BRSR).

Your Company features in the top 1000 listed entities as per market capitalization calculated as on 31st March, 2023 and hence, the BRSR for the financial year ended 31st March, 2023 forms part of this Annual Report.

Dividend Distribution Policy

Pursuant to the Listing Regulations, the Company has formulated a Dividend Distribution Policy, and is available on the Company's website at <https://www.unichemlabs.com/dividend-distribution-policy.php>

Familiarization programme for Independent Directors

The Company has a familiarization programme for Independent Directors about their roles, rights, responsibilities in the Company, the nature of the industry in which the Company operates, the business model of the Company, etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company at <https://www.unichemlabs.com/pdf/press-release/2022/08/Familiarization-Programme.pdf>

List-A: List of core skills/expertise/competencies identified by the Board

Sr. No.	Skill	Description	Name of the Director who possesses the said skill
1	Vision	Ability to see the future with precision based on knowledge, experience and power of reasoning to shape the Company's plans.	Dr. Prakash A. Mody Mr. Prafull Anubhai
2	Leadership	Trait of building an inspiring vision, motivating people to engage with it and fulfillment of the same.	Dr. Prakash A. Mody Mr. Anand Mahajan
3	Corporate Strategy	Ability to identify opportunities, projects, critical evaluation of the same and plan for successful implementation, to achieve the desired business goal.	Mr. Dilip Kunkolienkar
4	Risk Management	Ability to identify key risks associated with the business and put in place risk minimisation and mitigation framework.	Mr. Prafull Sheth
5	Technical manufacturing expertise in Pharma	Ability to comprehend technical intricacies in manufacturing and guide the executive management to overcome technical barriers in order to be cost-effective and achieve the desired goals with a focus on the pharma sector.	Mr. Dilip Kunkolienkar
6	Finance and Accounting	Ability to analyse key financial statements, assess financial viability, contribute to strategic financial planning, oversee budgets and efficient use of resources.	Mr. Prafull Anubhai
7	Academics	Designing and developing executive development programmes, Human Resource Development, consulting and advisory services in management to corporates and non-corporates.	Dr. (Mrs.) B. Kinnera Murthy Mrs. Priti Puri
8	Social Change Management	Corporate Social Responsibility, designing social change strategies and supporting NGOs pro bono.	Dr. (Mrs.) B. Kinnera Murthy Mrs. Priti Puri
9	Research and Development	Thorough understanding of processes of discovery, development manufacturing, clinical trials, waste management and quality of pharmaceuticals.	Mr. Prafull Sheth

The Company believes that the Board must be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the Company and the industry. Apart from the financial presentations, business strategies and all other compliance updates are discussed on a regular basis at the Board Meetings periodically to familiarize the Directors with the strategy and operations of the Company.

Compliance with the Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics. The said Code is posted on the Company's website and the weblink of the same is: <https://www.unichemlabs.com/code-of-business-conduct-ethics.php>

All Board members and Senior Management Personnel have affirmed compliance with the said Code for the year ended 31st March, 2023. A declaration to this effect, signed by the Chairman & Managing Director is given below:

Declaration on Code of Business Conduct and Ethics

"In accordance with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st March, 2023".

Dr. Prakash A. Mody

Mumbai
17th April, 2023

Chairman & Managing Director
(DIN: 00001285)

Audit Committee

The Audit Committee's primary role is to supervise the internal controls and the financial reporting process and thus, ensure accurate and timely disclosure of information that maintains the transparency, integrity, and quality of financial controls and reporting.

The terms of reference of the Committee are wide enough to cover matters specified for Audit Committees as given under Section 177 of the Act and Regulation 18 of the Listing Regulations. The Committee mandatorily reviews the internal audit reports, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed. The Deputy Chief Financial Officer, Internal Auditor and

Compliance Officer and a representative of the Statutory Auditors were regular invitees to the Meetings.

The Company Secretary acts as a Secretary to this Committee.

The Audit Committee met five times during the financial year, namely 10th May, 2022, 27th May, 2022; 9th August, 2022; 11th November, 2022 and 6th February, 2023. The composition of the Committee as on 31st March, 2023, and the details on the number of Audit Committee Meetings held and attended by the Members during the financial year 2022-23 are given in **Table-2**. The maximum gap between any two meetings was well within the time limit prescribed in the Act and the Listing Regulations as amended from time to time.

Nomination and Remuneration Committee

The terms of reference of the Committee are wide enough to cover matters specified for the Committee as given under Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Company Secretary acts as a Secretary to this Committee.

The composition of the Nomination and Remuneration Committee during the financial year 2022-23 is given in **Table-3**. The said Committee met two times during the financial year namely 6th February, 2023 and 20th March, 2023.

Performance evaluation

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out an annual performance evaluation of the working of its own performance, its Committees and the Directors individually. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation, the Directors who were subject to evaluation did not participate. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's/Committees' functioning.

The evaluation of the Directors was done on various parameters such as vision and strategy, Board's participation, Board's disclosure of interests, review of management policies, strategy, compliances, and leadership skills. The Directors expressed their satisfaction with the evaluation process.

Remuneration of Directors

The Remuneration details are given in **Table-4**.

Table-2: Composition and attendance of Audit Committee Meetings during 2022-23

Name of Director	Position	Category	No. of Meetings attended
Mr. Prafull Anubhai	Chairman	Non-Executive, Independent Director	5
Mr. Dilip Kunkolienkar*	Member	Executive Director	5
Mr. Prafull Sheth	Member	Non-Executive, Independent Director	5
Mr. Anand Mahajan	Member	Non-Executive, Independent Director	5
Dr. (Mrs.) B. Kinnera Murthy (upto 20th March, 2023)	Member	Non-Executive, Independent Director	4

* Ceased to be a Member w.e.f. 10th August, 2023.

W.e.f. 10th August, 2023, the committee was reconstituted with Mr. Prafull Anubhai as the Chairman and Mr. Pabitrakumar Bhattacharyya, Mr. Prafull Sheth, Mr. Anand Mahajan as the Members of the Committee.

Table-3: Composition and attendance of Nomination and Remuneration Committee Meetings during 2022-23

Name of Director	Position	Category	No. of Meetings attended
Mr. Prafull Anubhai	Chairman	Non-Executive, Independent Director	2
Mr. Prafull Sheth	Member	Non-Executive, Independent Director	2
Mr. Anand Mahajan	Member	Non-Executive, Independent Director	2

Table-4: Remuneration paid to the Directors for 2022-23

Name	Sitting Fees**	Commission payable for 2022-23@	Consolidated Salary#	Perquisites and Allowances#	Total Amount
Dr. Prakash A. Mody*	NA	Nil	591.95	0.40	592.35
Mr. Dilip Kunkolienkar	NA	NA	228.96	10.27	239.23
Mr. Prafull Anubhai	13.50	NA	NA	NA	13.50
Mr. Anand Mahajan	12.00	NA	NA	NA	12.00
Mr. Prafull Sheth	13.50	NA	NA	NA	13.50
Dr. (Mrs.) B. Kinnera Murthy (upto 20th March, 2023)	9.50	NA	NA	NA	9.50
Mrs. Priti Puri (w.e.f 21st March, 2023)	NA	NA	NA	NA	NA

NA - Not Applicable

* Eligible to receive commission @1% of the Net Profits of the Company, computed under Sections 197 and 198 of the Act and the Rules made thereunder.

@ However, for the financial year 2022-23, no commission is payable due to the inadequacy of profits in terms of Section 198 of the Companies Act, 2013.

** Sitting fees are exclusive of Goods and Service Tax, paid extra under the reverse charge mechanism.

Fixed Component

@ Variable Component

Number of options pending to be exercised by Mr. Dilip Kunkolienkar as on 31st March, 2023 are 2,46,176 (P.Y. 2,46,176). However, these options were surrendered subsequent to the year ended 31st March, 2023

The remuneration to Whole-time Directors is approved in terms of Section 198 and Schedule V of the Companies Act, 2013 due to inadequacy of profits. The appointment can be terminated by giving six months' notice or such other mutually agreed period by the Directors and the Company.

Shareholding of the Non-Executive Directors

Details of shares held by Non-Executive Directors as on 31st March, 2023 are given in **Table-5**.

Table-5: Shareholding by Non-Executive Directors	
Name	No. of shares held
Mr. Prafull Anubhai	782
Mr. Anand Mahajan	15,029
Mr. Prafull Sheth	7,500
Dr. (Mrs.) B. Kinnera Murthy	Nil
Mrs. Priti Puri	Nil

The Company has not issued any convertible instruments during the financial year ended 31st March, 2023.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee oversees, *inter-alia*, redressal of shareholder and investor grievances, transmission of shares, non-receipt of the annual report or declared dividend, issue of duplicate shares, reviewing dematerialization of shares, and related matters. The Committee focuses on Shareholders' grievances and strengthening investor relations.

The terms of reference of the Committee are wide enough to cover matters specified for the Committee as given under Section 178(5) of the Act and Regulation 20 of the Listing Regulations. The composition of the Stakeholders' Relationship Committee and the details of the number of Meetings held and attended by the Members during the financial year 2022-23 are given in **Table-6**.

Table-6: Composition and attendance of Stakeholders Relationship Committee Meetings during 2022-23			
Name of Director	Position	Category	No. of Meetings attended
Dr. Prakash A. Mody*	Member	Executive Director	1
Mr. Prafull Anubhai	Chairman	Non-Executive, Independent Director	1
Dr. (Mrs.) B. Kinnera Murthy (upto 20th March, 2023)	Member	Non-Executive, Independent Director	1
Mrs. Priti Puri (w.e.f. 21st March, 2023)	Member	Non-Executive, Independent Director	NA

* Ceased to be a Member w.e.f. 10th August, 2023

W.e.f. 10th August, 2023, the committee was reconstituted with Mr. Prafull Anubhai as the Chairman and Mr. Pranay Godha and Mrs. Priti Puri as the Members of the Committee.

The Company has a dedicated e-mail ID at shares@unichemlabs.com where investors and other stakeholders can address their queries and grievances.

The Company Secretary is the Compliance Officer and acts as a Secretary to this Committee.

The Stakeholders' Relationship Committee met once during the financial year namely 27th May, 2022. During the year one complaint was received from a Shareholder which had been attended to and no investor complaint was pending at the beginning or the end of the year.

The Company has acted upon valid requests for share transfers received during the year and no such request is pending.

Risk Management Committee

The roles and responsibilities of the Risk Management Committee are as prescribed under Regulation 21 of the Listing Regulations and include monitoring and reviewing of the risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board of Directors, from time to time.

The Company has procedures for risk assessment and minimization. A section on risk management practices of the Company forms a part of the Management Discussion and Analysis Report in the Annual Report 2022-23.

Name of Director	Position	Category	No. of Meetings attended
Dr. Prakash A. Mody*	Chairman	Executive Director	2
Mr. Dilip Kunkolienkar*	Member	Executive Director	2
Mr. Prafull Sheth	Member	Non-Executive, Independent Director	2

* Ceased to be Members w.e.f. 10th August, 2023
W.e.f. 10th August, 2023, the committee was reconstituted with Mr. Pranay Godha as the Chairman and Mr. Pabitrakumar Bhattacharyya and Mr. Prafull Sheth as the Members of the Committee.

The terms of reference of the Committee are wide enough to cover the matters specified for the Company under Regulation 21 of the Listing Regulations.

The Company Secretary acts as a Secretary to this Committee.

The Constitution of the Risk Management Committee is given in **Table-7**. The Committee met two times during the financial year namely 26th September, 2022 and 20th March, 2023.

Corporate Social Responsibility Committee (CSR)

The composition of the Corporate Social Responsibility Committee and the details on the number of Meetings held and attended by the members during the financial year 2022-23 are given in **Table-8**. The terms of reference of the said Committee broadly comprise the following and as detailed in the CSR policy of the Company:

- To review the existing CSR Policy and to make it more comprehensive to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act; and
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor their progress.

The Committee met once during the financial year on 27th May, 2022.

The Company Secretary acts as a Secretary to this Committee.

CEO and CFO Certification

The Managing Director and the Deputy Chief Financial Officer have, *inter-alia*, certified to the Board of Directors, the accuracy of financial statements and adequacy of internal controls for financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2023. The certificate was placed before the Board of Directors at its Meeting held on 23rd May, 2023, which is annexed herewith.

Particulars of senior management including the changes therein since the close of the previous financial year.

The following were the Senior Management Personnel as on 31st March, 2023

Name	Designation
Mr. Santosh Mahil	Chief Commercial and International Business Development Officer
Mr. Jalesh Burye	Chief Quality and Compliance Officer
Dr. Dhananjay Sathe	Chief Scientific and Compliance Officer
Mr. A. V. Anantharaman*	Chief Human Resources and Compliance Officer
Dr. Ashwani Kumar	Chief Manufacturing and Compliance Officer
Ms. Supriya Prakash Mody**	Associate Vice President
Mr. Sandip Ghume	Deputy Chief Financial Officer
Mr. Pradeep Bhandari	Head-Legal & Company Secretary

* Resigned w.e.f. 10th May, 2023

** Resigned w.e.f. 15th May, 2023

General Body Meetings

- Details of last three AGM are given in **Table-9**.
- Resolution passed through Postal Ballot:

Whether any special resolution passed last year through postal ballot – details of voting pattern?

The Company dispatched Postal Ballot Notice dated 20th March, 2023 together with explanatory statement, *inter-alia*, for passing of the Special Resolution for the appointment of Mrs. Priti Puri (DIN: 07755966) as an Independent Director of the Company to hold office for three consecutive years w.e.f. 21st March, 2023.

Ms. Ragini Chokshi of Ragini Chokshi & Associates, Practicing Company Secretary (C.P.No.1436) was appointed as the Scrutinizer for carrying out the Postal Ballot voting process

Name of Director	Position	Category	No. of Meetings attended
Dr. Prakash A. Mody*	Chairman	Executive Director	1
Mr. Prafull Anubhai	Member	Non-Executive, Independent Director	1
(Dr.) (Mrs.) B. Kinnera Murthy (upto 20th March, 2023)	Member	Non-Executive, Independent Director	1
Mrs. Priti Puri (w.e.f. 21st March, 2023)	Member	Non-Executive, Independent Director	NA

* Ceased to be a Member w.e.f. 10th August, 2023
W.e.f. 10th August, 2023 the committee was reconstituted with Mr. Pranay Godha as the Chairman and Mr. Prafull Anubhai and Mrs. Priti Puri as the Members of the Committee.

Table-9: Details of the last three Annual General Meetings (AGM)

AGM	Year	Venue	Date	Time	Items of Special Resolution passed at each Meeting
59th	2021-2022	Through audio-video Conference	Tuesday 9th August, 2022	2:00 p.m.	Nil
58th	2020-2021	Through audio-video Conference	Saturday 31st July, 2021	11:30 a.m.	To approve remuneration payable to Dr. Prakash A. Mody Chairman & Managing Director for his remaining tenure of appointment from 1st July, 2021 to 30th June, 2023 in terms of Section 197 and Schedule V of the Companies Act and continuing of his term on attaining 70 years on 14th November, 2022.
57th	2019-2020	Through audio-video Conference	Saturday 29th August, 2020	11:30 a.m.	Payment of remuneration to Dr. Prakash A. Mody, Chairman & Managing Director of the Company, in excess of ₹ 5 crores or 2.5% of the net profits of the Company (whichever is higher) in terms of Regulation 17(6)(e) of LODR Regulations.

through electronic means in a fair and transparent manner. Procedure adopted for Postal Ballot in compliance with Regulation 44 of the Listing Regulations, Sections 108, 110, and other applicable provisions of the Act read with the Rules issued thereunder and General Circular issued by the Ministry of Corporate Affairs (MCA), the Company provided electronic voting (Remote e-voting) facility to all its members. The Company engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing an electronic voting facility to all its members. The postal ballot notice was sent to the members in electronic form at their e-mail addresses registered with the depositories/and the RTA. The Company also published a notice in the newspapers declaring the details of completion of dispatch, e-voting details and other requirements in terms of the Act read with the Rules issued thereunder and the Secretarial Standards issued by the Institute of Company Secretaries of India. Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. Members were informed that remote e-voting period would commence on Tuesday, 4th April, 2023 at 9.00 a.m. (IST) and would end on Wednesday, 3rd May, 2023 at 5.00 p.m. (IST) and the detailed procedure of casting votes through remote e-voting formed part of the notes to the Notice. The Scrutinizer submitted her report to the Company Secretary of the Company, after the completion of scrutiny, and the consolidated results of the voting by postal ballot were then announced by the Company Secretary on Thursday, 4th May, 2023 as authorised by the Board of Directors of the Company. The results were displayed at the registered office of the Company and on the Company's website at www.unichemlabs.com, and were available on the website of the Stock Exchanges and CDSL. The results were also intimated through Press Release in newspapers.

**Table-9B: Summary results of Postal Ballot and E-Voting
Special Resolution: Appointment of Mrs. Priti Puri
as an Independent Director of the Company**

Particulars	No. of Equity Shares	% of the total number of votes cast
Total Valid Votes Cast	4,34,62,119	100.00
Assented to Resolution	4,34,57,221	99.99
Dissented to Resolution	4,898	0.01

c. As at 31st March, 2023, no Special Resolution was proposed to be conducted through Postal Ballot.

Disclosures**Related Party Transactions**

There were no materially significant transactions with Related Parties during the financial year, which conflicted with the interest of the Company at large. All Related Party Transactions are periodically placed before the Audit Committee/Board for its review and approval. The Company has in place a policy on Related Party Transactions and the same is displayed on the Company's website, the weblink of the same is: <https://www.unichemlabs.com/related-party-transactions-policy.php>.

Details of non-compliance

The equity shares of the Company are listed on BSE and NSE Limited, Mumbai, and the Company has complied with all the applicable regulations of capital markets. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter relating to the capital markets during the last 3 (three) years.

Material Subsidiary

The Company has formulated a Policy on material subsidiaries and the same is displayed on the Company's website and the weblink of the same is <https://www.unichemlabs.com/policy-on-material-subsiidiaries.php>.

Whistle Blower Policy

The Company has in place a Whistle-Blower/Vigil Mechanism through which its stakeholders, directors, and employees can report their genuine concerns about unethical behaviour and actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics. The said Policy provides for adequate safeguards against victimization and direct access to the Audit Committee. The e-mail ID for reporting genuine concerns is whistleblower@unichemlabs.com. The policy is displayed on the Company's website and the weblink of the same is <https://www.unichemlabs.com/whistle-blower-vigil-mechanism.php>.

No person has been denied access to the Audit Committee. No complaint was received during the year under the whistle-blower policy.

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

The Company has not raised any funds through preferential allotment or qualified institutions placement and hence, the same is not applicable.

Certificate from Company Secretary in practice

The Company has received a certificate dated 23rd May, 2023 from Alwyn Jay & Co, Company Secretaries in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed herewith.

The Board has accepted all the recommendations of the Committees of the Board given from time to time during the financial year under review.

Total fees paid to all statutory auditors

The total fees paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part during the financial year under review, aggregate ₹ 234.69 Lakhs.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

- a. number of complaints filed during the financial year: 1
- b. number of complaints disposed of during the financial year: 1
- c. number of complaints pending as on end of the financial year: 0

Details of Material Subsidiary of the Company

As given in Table-10.

No loans and advances were provided by the Company or its subsidiaries, to firms/companies in which directors are interested.

Compliance with the Mandatory Requirements of the Listing Regulations

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

Adoption of Non-Mandatory Requirements

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

1. The Board:

The Company's Chairman is an executive whole-time director upto 9th August, 2023 and hence this is not applicable.

2. Shareholders' Right:

The quarterly, half-yearly and annual financial results of the Company are published in newspapers and posted on Company's website www.unichemlabs.com. The same are also available on the websites of stock exchanges, where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.

3. Modified opinion(s) audit report:

The Modified opinion has been appropriately dealt with in Note No.38 of the Notes to the standalone audited financial statements.

4. Separate posts of Chairman, Managing Director and Chief Executive Officer:

Dr. Prakash A. Mody is the Chairman and Managing Director of the Company till 9th August, 2023. W.e.f. 10th August, 2023 Dr. Mody is re-designated as a Non-Executive, Non-Independent Director and Chairman of the Company. W.e.f. 10th August, 2023 Mr. Pabitrakumar Bhattacharyya is appointed as the Managing Director of the Company. The Company has segregated the roles as mentioned above.

5. Reporting of Internal Auditor

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

Management Discussion and Analysis Report

The information required under the Management Discussion and Analysis Report is separately given in this Annual Report.

Brief profile of Directors seeking appointment/re-appointment

As required, a brief profile and other particulars of the Director retiring by rotation/appointment/re-appointment is given in Notice of this AGM and forms a part of this Annual Report.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have material exposure in commodities and does not carry out any commodity hedging activities. During the financial year ended 31st March, 2023, the Company managed its foreign exchange risk and hedging to the extent where it considers necessary/permitted. The Company enters forward contracts for hedging foreign exchange exposures against exports. The details of foreign currency exposure are disclosed in the financial statements.

Means of Communication

- a. The Unaudited quarterly/half-yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within the statutory time limits as per the requirement of the Listing Regulations duly amended from time to time.
- b. The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English

Table-10: Details of Material Subsidiary of the Company

Name of the Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of the Statutory Auditor	Date of Appointment of Statutory Auditor
Unichem Pharmaceuticals (USA), Inc.	9th March, 2004	State of New Jersey	WilkinGuttenplan CPAS & Advisors	20th November, 2018

newspaper namely, Business Standard. In addition, the same is published in a local language (Marathi) newspaper namely, Sakal, within forty-eight hours of approval thereof. In addition to uploading the same on the website of the Company at www.unichemlabs.com, the same is also sent to the Stock Exchange for dissemination.

- c. Presentations/Press releases if any, made to the institutional investors and/or analysts are also posted on the Company's website and sent to the Stock Exchanges where the Company shares are listed.
- d. The quarterly results, shareholding pattern, quarterly compliances and all other corporate communications to the Stock Exchanges namely BSE Limited and NSE Limited are filed electronically. The Company has complied with filing submissions through the BSE Listing Centre. The said information is also filed electronically with NSE through the NEAPS portal.
- e. A separate dedicated section under "Investors", on the Company's website gives information on unclaimed Dividends, shareholding patterns, quarterly/half-yearly results and other relevant information of interest to the investors/public.

General Shareholder Information

Date, Time, and Venue of the 60th Annual General Meeting

Date: Monday, 25th September, 2023

Time: 11:00 a.m.

Venue: Through Video Conference

The AGM for the financial year 2022-23 will be held through Video Conference or other means of Audio-Visual Mode (OAVM) as permitted by the Regulators.

Financial Year: 1st April, 2022 to 31st March, 2023

Stock Exchanges on which shares are listed

Bombay Stock Exchange of India Limited (BSE)

National Stock Exchange of India Limited (NSE)

The Annual Listing Fees have been paid by the Company and there is no payment outstanding towards the Stock Exchanges as on date.

Stock Codes

BSE 506690

NSE UNICHEMLAB

Unclaimed Dividend

The dividend remaining unclaimed for seven years will be transferred to the Investor Education and Protection Fund as per the Act and Rules made thereunder. Shareholders who have not claimed their dividends may do so before these are statutorily transferred and are requested to immediately approach the Investor Relations Department of the Company for the issue of duplicate dividend warrants. Please refer to **Table-11** for these details.

Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Table-12.

Disclosure of certain types of agreements binding listed entities

The details of agreement binding the Company and the significant terms as required to be reported under this section is available on the website of the Company at <https://www.unichemlabs.com/pdf/press-release/2023/01/DisclosureunderRegulation30.pdf>

Also, the same is detailed in the Directors report under the section Change in control and management.

Table-11: Unclaimed Dividend

Financial year	Type of dividend	Date of declaration of dividend	Proposed date of transfer to IEPF
2016-17	Final	22/07/17	27/08/24
2017-18	Final	28/07/18	02/09/25
2018-19	Final	27/07/19	01/09/26
2019-20	Final	29/08/20	04/10/27
2020-21	Final	31/07/21	05/09/28
2021-22	Final	09/08/22	14/09/29

Table-12: Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	No. of shareholders	No. of shares
Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at 1st April, 2022	31	42,370
(Less): Number of Shareholders who approached the Issuer for transfer of shares from the Unclaimed Suspense Account and to whom the shares were transferred from the Unclaimed Suspense Account	1	1,000
Add: Number of Shareholders and their shares transferred to Unclaimed Suspense Account during the year	0	0
(Less): Number of shares transferred from Unclaimed Suspense Account to the IEPF authority during the financial year 2022-23	11	11,500
Aggregate number of outstanding equity shares in the Unclaimed Suspense Account as at 31st March, 2023	19	29,870

Registrar and Share Transfer Agents (RTA)

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083
Tel.: (022) 4918 6000 • Fax.: (022) 4918 6060
E-mail ID: mumbai@linkintime.co.in

Share Transfer System

The Company's share transfer and related operations is operated through its Registrar and Share Transfer Agent (RTA) – Link Intime India Private Limited. Shareholders may please note that SEBI vide its circular dated 25th January, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, the shareholders are requested to make service requests by submitting a duly filled in and signed Form ISR-4, to the Company or their RTA. Further, the Company had sent individual letters to the respective Shareholders holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to the SEBI Circular dated 3rd November, 2021.

Shareholders holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI.

There are no legal proceedings pending against the Company before the Company Law Board in respect of dispute over title to shares in which the Company has been made a party.

Market Price data

(Figures in ₹)

Month	High (BSE)	Low (BSE)	High (NSE)	Low (NSE)
April, 2022	302.95	256.75	303.50	256.20
May, 2022	282.00	226.00	282.90	226.85
June, 2022	284.60	229.70	284.70	230.30
July, 2022	305.00	235.50	305.00	235.75
August, 2022	314.30	262.20	314.45	261.65
September, 2022	413.55	293.00	413.80	301.30
October, 2022	418.15	347.55	418.30	347.20
November, 2022	467.00	383.10	466.95	383.50
December, 2022	406.75	265.05	407.45	264.80
January, 2023	356.85	265.00	357.95	264.80
February, 2023	351.15	291.95	352.00	292.05
March, 2023	312.20	271.65	312.70	271.65

Distribution of Shareholding on 31st March, 2023

Sr. No.	No. of shares held (From - To)	No. of Shareholders	% of Total Shareholders	No. of shares	% of Issued Capital
1	up to – 500	24,180	79.67	26,92,663	3.82
2	501 – 1,000	2,206	7.27	17,41,612	2.47
3	1,001 – 2,000	1,843	6.07	27,49,309	3.91
4	2,001 – 3,000	714	2.35	18,11,606	2.57
5	3,001 – 4,000	320	1.06	11,46,892	1.63
6	4,001 – 5,000	285	0.94	13,15,370	1.87
7	5,001 – 10,000	459	1.51	31,79,769	4.52
8	10,001 – Above	342	1.13	5,57,68,529	79.21
	Total	30,349	100.00	7,04,05,750	100.00

Dematerialisation of Shares and Liquidity

As on 31st March, 2023, 97.50 % of the paid-up share capital had been dematerialized.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

Plant locations: The data is given on page 2 of the Annual Report.

Credit Rating: ICRA, the credit rating agency has rated the company's long-term rating to [ICRA] A- (Stable) (pronounced ICRA A minus with a Stable outlook). This rating indicates adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Address for correspondence

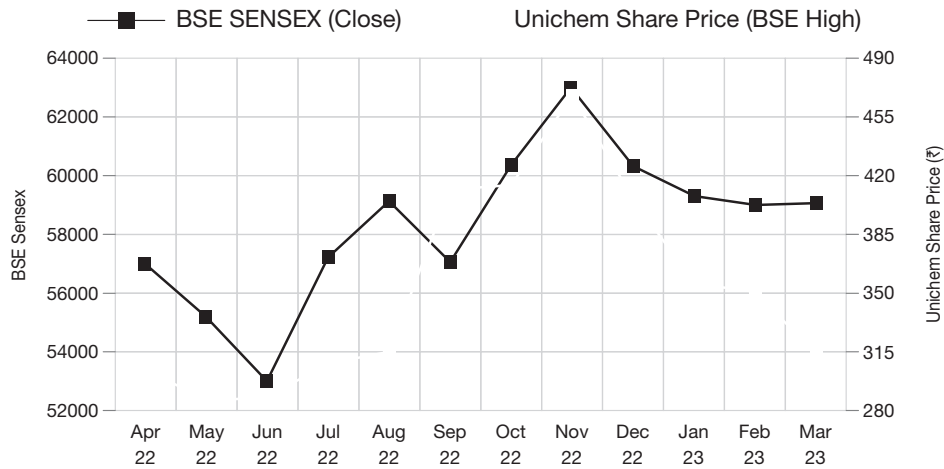
Registered Office

Unichem Bhavan, Prabhat Estate, Off S. V. Road
Jogeshwari (West), Mumbai - 400 102
Tel.: (022) 6688 8333
Website: www.unichemlabs.com

For Secretarial matters

Mr. Pradeep Bhandari, Head-Legal & Company Secretary
Unichem Bhavan, Prabhat Estate, Off S. V. Road
Jogeshwari (West), Mumbai - 400 102
Tel.: (022) 6688 8333
E-mail ID: shares@unichemlabs.com

Share Performance of the Company in comparison to broad based indices of BSE-Sensex



Shareholding Pattern as on 31st March, 2023

Sr. No.	Category	Shares	Total %
1	Promoters and Promoters Group	3,57,22,664	50.74
2	Promoter-Trust	1,38,351	0.19
3	Public	2,15,03,415	30.55
4	Mutual Funds	47,13,239	6.69
5	Hindu Undivided Family	11,95,658	1.70
6	Foreign Portfolio Investors (Corporate)-I	11,83,242	1.68
7	Other Bodies Corporate	11,47,502	1.63
8	Non Resident (Non Repatriable)	9,66,446	1.37
9	Non Resident Indians	9,46,123	1.34
10	Body Corporate-Ltd Liability Partnership	9,28,941	1.32
11	Alternate Investment Funds-III	8,47,841	1.20
12	Investor Education And Protection Fund	6,53,430	0.93
13	Insurance Companies	1,61,853	0.23
14	Other Directors/Relatives	88,822	0.13
15	Directors and their relatives (excluding Independent Directors and Nominee Directors)	75,538	0.11
16	Trusts	57,600	0.08
17	Unclaimed Shares	29,870	0.04
18	Nationalised Banks	22,900	0.03
19	Foreign Portfolio Investors (Corporate)-II	10,787	0.02
20	Foreign Nationals	4,646	0.01
21	Clearing Members	4,226	0.01
22	Foreign Portfolio Investors (Corporate)-III	2,100	0.00
23	Foreign Banks	500	0.00
24	Non Nationalised Banks	54	0.00
25	Market Maker	2	0.00
	TOTAL	7,04,05,750	100.00

Financial Calendar (Tentative)

Results for the Quarter and Year ending on	Tentative date
Unaudited results for the first quarter ending 30th June, 2023	Within 45 days from the end of the quarter
Unaudited results for the second quarter and half year ending 30th September, 2023	Within 45 days from the end of the quarter
Unaudited results for the third quarter and nine months ending 31st December, 2023	Within 45 days from the end of the quarter
Audited results for year ending 31st March, 2024	Within 60 days from the end of the quarter

Auditors Certificate

The Statutory Auditors Certificate on compliance with the conditions of Corporate Governance is annexed herewith.

For and on behalf of the Board of Directors,

Mumbai
9th August, 2023

Dr. Prakash A. Mody
Chairman & Managing Director
(DIN: 00001285)

To,
The Members
Unichem Laboratories Limited

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

1. Based on the engagement by the management of Unichem Laboratories Limited ('the Company'), we have examined details of compliance of conditions of Corporate Governance by the Company for the year ended 31st March, 2023 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations') pursuant to the Listing Agreement of the Company with the Stock Exchange.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied the conditions of Corporate Governance as stipulated in Listing Regulations as applicable mentioned in para 1 above for the year ended 31st March, 2023.
4. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause/Regulation as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination and according to explanations given to us and representations made by the Directors and management, we certify that during the year ended 31st March, 2023, the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations as applicable mentioned in para 1 above.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose of compliance with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For N. A. Shah Associates LLP

Chartered Accountants
Firm's Registration No.: 116560W/W100149

Milan Mody

Partner
Membership No.: 103286
UDIN: 23103286BGPZPA9907

Mumbai
9th August, 2023

To,

The Board of Directors,

Unichem Laboratories Limited,

Mumbai

We, Dr. Prakash A. Mody, Chairman & Managing Director, and Sandip Ghume, Deputy Chief Financial Officer, of Unichem Laboratories Limited certify that:

- A. We have reviewed financial statements and the cash flow statements (Standalone and consolidated) for the year ended 31st March, 2023, and to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that there are no:
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Dr. Prakash A. Mody

Chairman and Managing Director

Sandip Ghume

Deputy Chief Financial Officer

Mumbai

23rd May, 2023

[Pursuant to Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

Unichem Laboratories Limited

Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (West), Mumbai - 400102 IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Unichem Laboratories Limited** having **CIN L99999MH1962PLC012451** and having registered office at Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (West), Mumbai - 400102 IN (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub-clause 10(i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment
1	Prakash Amrut Mody	00001285	Managing Director	01/07/2008
2	Prafulbhai Anubhai Shah	00040837	Director	11/08/1979
3	Anand Yashavant Mahajan	00066320	Director	17/10/2005
4	Prafull D Sheth	00184581	Director	22/09/2003
5	Dilip Janardan Kunkolienkar	02666678	Whole Time Director	01/04/2018
6	Priti Puri	07755966	Additional Director	21/03/2023

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Mumbai
23rd May, 2023

For **ALWYN JAY & CO.,**
Company Secretaries

Jay D'Souza
FCS 3058
Partner

Certificate of Practice No.: 6915
UDIN.: F003058E000361812

Office Address :
Annex-103, Dimple Arcade, Asha Nagar
Kandivali (East), Mumbai 400101

Form AOC - 1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A" : Subsidiaries

(₹ in Lakhs)

1	Sl. No.	1	2	3	4	5	6
2	Name of the Subsidiary	Unichem Farmaceutica Do Brasil Ltda.	Unichem Laboratories Limited, Ireland	Unichem Pharmaceuticals (USA) Inc.	Niche Generics Limited	Unichem S.A (Proprietary) Limited	Unichem (China) Pvt. Ltd.
3	Financial year ending	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023	31st March, 2023
4	Reporting currency	BRL	EURO	USD	GBP	ZAR	RMB
5	Exchange rate as on the last date of the relevant financial Year	1 BRL = ₹16.04	1 EURO = ₹ 89.46	1 USD = ₹ 82.15	1 GBP = ₹ 101.72	1 ZAR = ₹ 4.48	1 RMB = ₹ 11.80
6	Share Capital	4,833.44	2,469.10	5,613.44	5,721.75	8.51	667.08
7	Reserves & Surplus	(5,653.16)	(2,627.63)	13,705.92	(6,653.23)	314.25	(514.32)
8	Total Assets	3,311.49	142.21	62,827.82	5,582.30	494.99	202.81
9	Total Liabilities	4,131.20	300.74	43,508.46	6,513.78	172.23	50.06
10	Investments	-	-	-	-	-	-
11	Turnover	6,580.02	559.26	77,134.28	7,486.12	1,357.83	23.18
12	Profit/ (Loss) before Taxation	373.90	17.09	1,318.73	(957.21)	130.60	(178.91)
13	Provision for Taxation	(110.23)	-	(379.76)	-	(35.26)	-
14	Profit/ (Loss) after Taxation	263.67	17.09	938.97	(957.21)	95.34	(178.91)
15	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil
16	% of share holding	100	100	100	100	100	100

Notes:

- Names of Subsidiaries which are yet to commence operations: None
- Names of Subsidiaries which have been liquidated or sold during the year: None
- The amounts given in the table above are from the annual accounts made for the respective financial year end for each of the companies.
- The Indian rupee equivalents of the figures in serial no. 6 to 10 are given based on the exchange rates as on 31st March, 2023 and the Indian rupee equivalents of the figures in serial no. 11 to 14 are given based on the yearly average exchange rates.
- Turnover figures do not include Other Income. Profit / (Loss) figures do not include Other Comprehensive Income.

Part "B": Associates and Joint Ventures

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

1	Name of the Associate	Synchron Research Services Private Limited
2	Latest audited Balance Sheet Date	31st March, 2022
3	Shares of Associate held by the company on the year end: No. of shares Amount of investment in Associate Extend of Holding %	2,08,333 ₹ 569.31 Lakhs 32.11%
4	Description of how there is significant influence	Percentage of holding of share capital
5	Reason why the associate is not consolidated	Not Applicable
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 43.17 Lakhs
7	Profit/Loss for the year: i. Considered in Consolidation (as per unaudited financial statements for FY 2022-23) ii. Not considered in Consolidation	Nil. Also refer para 11 of 'Independent Auditor's Report on the Audit of the Consolidated Financial Statements. Not Applicable

Notes:

- Name of Associates which are yet to commence operations : None
- Names of Associates which have been liquidated or sold during the year: None

For and on behalf of the Board of Directors

Place: Mumbai
Date: 23rd May, 2023

Sandip Ghume
Deputy Chief
Financial Officer

Pradeep Bhandari
Head - Legal &
Company Secretary

Dr. Prakash A. Mody
Chairman &
Managing Director
DIN.: 00001285

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2022-23
[Pursuant to Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline of the CSR Policy of the Company:

Our CSR programmes were initiated with the mission of creating a change in the life of underprivileged communities particularly in the areas around the Company's locations. CSR activities are focused on areas such as healthcare, education, health and sanitation, women empowerment, protection of the environment, and general welfare.

2. Composition of the CSR Committee:

The composition of the CSR Committee is given in the Corporate Governance Report.

3. Weblink where composition of CSR Committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the Company:

The composition of the CSR Committee, CSR policy, and CSR projects are available at <https://www.unichemlabs.com/corporate-social-responsibility.php>.

4. Details of impact assessment of the CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: (₹ in Lakhs)

Sr. No.	Financial year	Amount available for set off from the preceding financial years	Amount available for set off for the financial year if any
1	2020-21	308.45	Nil
2	2021-22	63.22	Nil

6. Average net profit/(loss) of the Company as per Section 135(5): ₹ (3,737.39) lakhs

7. (a) Two percent of the average net profit of the Company as per section 135(5): Nil

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): Nil

8. (a) CSR amount spent or unspent for the financial year: (₹ in Lakhs)

Total amount spent for the financial year	Amount unspent				
	Total amount transferred to unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
28.00 (Refer Note 1 below)	Nil (Refer Note 1 below)				

Note1: There was no mandatory requirement for the Company to spend on CSR activities for the financial year 2022-23. However, the Company has made an excess spend of ₹ 28.00 Lakhs for the financial year 2022-23.

(b) Details of CSR amount spent against ongoing projects for the financial year: (₹ in Lakhs)

Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area Yes/No	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to unspent CSR account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - through Implementing Agency	
			State	District						Name	CSR Registration Number
Nil											

(c) Details of CSR amount spent against other than ongoing projects for the financial year: (₹ in Lakhs)

Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area Yes/No	Location of the project		Amount spent in the current financial year	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Financial assistance for schools, junior colleges, hostel for Adivasi girls and other educational activities for the underprivileged children	(ii)	No	Maharashtra and Gujarat	Raigad and Kutch	5.00	No	Yusuf Meherally Centre	CSR00006724
2	College on Wheels -Education at the doorstep - For girls staying in villages and who cannot enroll in colleges	(ii)	No	Gujarat	Nadiad	18.00	No	Sardar Vallabhbhai Samaj Seva Trust	CSR00007921
3	Educational and medical aid to local Adivasis	(i)& (ii)	No	Maharashtra	Shahpur, Thane	5.00	No	Adivasi Unnati Mandal	CSR00020567
Total						28.00			

(i) Represents Education

(ii) Represents Healthcare

- (d) Amount spent in administrative overheads: Nil
(e) Amount spent on impact assessment, if applicable: Not applicable
(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 28.00 Lakhs
(g) Excess amount for set off, if any:

Sr. No.	Particulars	₹ in Lakhs
i	Two percent of the average net profit of the Company as per Section 135(5)	Nil
ii	Total amount spent for the financial year	28.00
iii	Excess amount spent for the financial year [(ii)-(i)]	28.00
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	The amount available for set off in succeeding financial years [(iii)-(iv)]	28.00

9. (a) Details of unspent CSR amount for the preceding three financial years: (₹ in Lakhs)

Preceding financial year	Amount transferred to unspent CSR account under Section 135(6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
			Name of the Fund	Amount	Date of transfer	
Nil						

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): (₹ in Lakhs)

Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year	Status of the project completed/ ongoing
Nil							

10. In case of creation or acquisition of the capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

- (a) Date of creation or acquisition of the capital asset(s): Nil
(b) Amount of CSR spent for creation or acquisition of capital asset: Nil
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.: Nil
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

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

Not applicable

For and on behalf of the Board & CSR Committee,

Dr. Prakash A. Mody

Managing Director & Chairman of the CSR Committee
(DIN: 00001285)

Mumbai
9th August, 2023

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Unichem Laboratories Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Unichem Laboratories Limited** (CIN: L99999MH1962PLC012451) (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents, and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996, and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings, **as applicable**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as **amended from time to time**:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients - **Not applicable to the Company**;
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Company**;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company**;
 - (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not applicable to the Company**;
 - (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other specific business/industry-related laws applicable to the Company:
 - 1. Drugs and Cosmetics Act, 1940 and related Rules
 - 2. Drugs Pricing Control Order, 2013
 - 3. The Pharmacy Act, 1948
 - 4. Trade Marks Act, 1999
 - 5. Indian Copyright Act, 1957
 - 6. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
 - 7. Narcotic Drugs and Psychotropic Substances Act, 1985 and related Rules
 - 8. Food Safety and Standards Act, 2006
 - 9. Legal Metrology Act, 2009

The Company has complied with the abovementioned specific applicable Laws, Rules, Regulations, and Guidelines and other applicable general Laws, Rules, Regulations, and Guidelines.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., however we have observed the following:

1. The Internal Auditor of the Company had resigned on 23rd September, 2022. Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with rules made thereunder, the Company has appointed an Internal Auditor on 8th May, 2023.
2. On 10th August, 2022, the Company had filed with the Reserve Bank of India (RBI) a Suo-moto compounding application for delay in filing Form ESOP for grant of 3,51,680 options under its ESOP Scheme, 2018 to a eligible Non-Resident Employee of its Overseas Wholly Owned Subsidiary pursuant to Regulation 13.1(5) of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident of India) Regulations, 2017, notified vide Notification no. FEMA 20(R)/2017-RB dated 7th November, 2017, as amended from time to time. In accordance with the Order passed by the RBI on 17th February, 2023, the Company has paid the compounding amount of ₹ 6,21,480/- and the matter is disposed of accordingly.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for a meaningful participation at the meeting.

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board/Committee of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairman of the Meeting.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period the following events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. On 9th July, 2014, the European Commission (EU) decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd (Niche) contending that they had acted in breach of EU competition law as Niche Generics Ltd had, in early 2005 (when the Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company & Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, have filed appeals against the decision of General Court before the Court of Justice of the EU. Following the hearing in October, 2021, there has not been any formal change in the position after the last hearing and the matter is still pending.
2. Approval of the Board of Directors of the Company, at its meeting held on 10th May, 2022, was obtained to enter into a Share Purchase Agreement (SPA) for selling the Company's entire shareholding in Optimus Drugs Private Limited (ODPL) to Sekhmet Pharmaventures Private Limited (Purchaser) by secondary transfer of shares in two tranches. Pursuant to the SPA, on 22nd September, 2022, in the first tranche the Company has sold 19.97% of its shareholding in ODPL to the Purchaser on a fully diluted basis, for an aggregate consideration of ₹ 270,98,99,010, the payment which has been received. The sale of the second tranche consisting of the remaining 0.02% equity shares shall be sold for a price to be determined as per the SPA after satisfaction of necessary conditions precedent.
3. Subsequent to the year ended 31st March, 2023, all the outstanding Employee Stock Options consisting of 15,12,224 options vested on to the eligible employees of the Company and that of its subsidiary under its Employee Stock Option Scheme 2018 have been surrendered.
4. On 24th April, 2023, Dr. Prakash A. Mody, one of the members of the promoter and promoter group of the Company (Seller), Ipca Laboratories Limited (Acquirer) and the Company had entered into a Share Purchase Agreement (SPA) whereby the Acquirer has

agreed to purchase 2,35,01,440 fully paid-up equity shares of ₹ 2/-each constituting 33.38% of the fully diluted voting share capital of the Company, from the Seller, at a price of ₹ 440/- per equity (Transaction). The Proposed Transaction is subject to certain conditions precedent. Further, pursuant to execution of the SPA, the Acquirer is required to make an open offer to the public shareholders of the Company in terms of the applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Mumbai
9th August, 2023

For **ALWYN JAY & CO.**,
Company Secretaries

Jay D'Souza
FCS 3058
Partner

Certificate of Practice No.: 6915
UDIN.: F003058E000769472

Office Address :

Annex-103, Dimple Arcade, Asha Nagar
Kandivali (East), Mumbai 400101

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members,
Unichem Laboratories Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Unichem Laboratories Limited (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further, part of the verification was done on the basis of electronic data provided to us by the Company and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Mumbai
9th August, 2023

For **ALWYN JAY & CO.**,
Company Secretaries

Jay D'Souza
FCS 3058
Partner

Certificate of Practice No.: 6915
UDIN.: F003058E000769472

Office Address :

Annex-103, Dimple Arcade, Asha Nagar
Kandivali (East), Mumbai 400101

[Statement containing particulars pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

a. Conservation of Energy

(i) Steps and impact:

- Variable Frequency Drives (VFDs) installed for process reactors leading to a reduction in electricity consumption.
- Maintaining power factor near to unity for obtaining incentives.
- Separate express feeder line was laid from the Goa Electricity Department substation to the manufacturing units thereby reducing the power failures and reducing the operations of Diesel Generator sets and generated power.
- Replaced Metal Halide Lights with Light-Emitting Diode (LED) Lights being more energy efficient and have a higher average lifespan.
- Operation of Nitrogen plant optimized by installing pressure switch which reduced running hours thereby achieving savings in electricity.
- Temperature set points of Air Handling Units (AHUs) catering to areas such as the finished goods store was seasonally varied instead of running on a single temperature set point throughout the year, achieving savings in electricity and utility cost.
- Descaling of condensers of chillers and chemical cleaning of chilled and hot water coils of AHUs is carried out periodically for better heat transfer and to avoid energy losses.
- Heating, Ventilation and Air Conditioning (HVAC) Chillers and Air compressor units setpoints have been optimized as per environmental conditions and non-working hours thus achieving savings in electricity.
- Installed temperature controllers for cooling tower fans operation thereby reducing the operating hours of fan motors.
- Steam traps audits were carried out and based on its outcome, steam traps were serviced/replaced resulting savings of steam consumption.
- Piped Natural Gas (PNG) based hot water generation system study was conducted and set point was changed from 55°C to 40°C thus resulting in savings of PNG consumption.
- Arrested leakages in compressed air systems and modification done in piping thereby arresting losses and savings in electricity.
- Rejected water from post-treatment of the secondary water system was utilized in cooling towers and washrooms.
- An energy management system was commissioned which monitors the power data and yield reports on regular intervals.

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

- Roof Top solar panel installed to generate and supply power to administration building resulted in annual savings.
- The Company has worked out an alternative to using borewell and well water with canal water supplied by Tilarri irrigation canal at Goa which is under construction by Government of Goa.

(iii) Capital investment on energy conservation equipment: Nil

RESEARCH AND DEVELOPMENT

b. Technology Absorption

(i) Efforts towards technology absorption:

The technologies developed by the Research and Development (R&D) department of the Company have been commercialized and adopted by the Company's manufacturing facilities subject to permissions and approvals from the concerned regulatory authorities. At its State-of-the-Art R&D facility at the Centre of Excellence, Goa, the Company has especially invested in prototype plant equipment in its Kilo Lab and Formulation Development Lab where plant simulation experiments are carried out. This helps to anticipate and address scale-up issues that the laboratory-developed process may face in the plant during the technology transfer exercise. In addition, Quality by Design (QbD) trials are performed in these laboratories to define the design space within which the process can be safely scaled-up and operated in the plants. The R&D efforts streamlined by effective project management coupled with dedicated Pilot Plant facilities across Active Pharmaceutical Ingredients (APIs) and formulation plants have seen a ramping up of the output from R&D resulting in an increased number of Drug Master File (DMF), Abbreviated New Drug Applications (ANDAs) and Dossier filings in regulated markets.

(ii) Benefits derived:

- On-time dossier submissions for identified geographies.
- Launching of new products in international markets in various therapeutic segments.
- Approval of first ANDA under Para IV certification by the USFDA.
- Successful API Validation of "First To File ANDA" project enabling potential customers to file PIV on the NCE -1 date.
- Filing of patent applications.
- Reduction in the number of regulatory queries leading to speedy approvals.
- Product life cycle management with continuous product improvement and cost optimization.
- Successful progression of New Chemical Entity (NCEs) and New Biological Entity (NBEs) projects closer to Pre IND stage.

(iii) Information regarding imported technology (imported during the last three years reckoned from the beginning of the financial year): The Company has not imported any technology.

(iv) Expenditure incurred on Research and Development: The Company has incurred a total expenditure of ₹ 1,268.74 Lakhs (including capital and recurring expenses) towards Research and Development.

c. Foreign Exchange Earnings and Outgo: The details of foreign exchange earnings and outgo in equivalent rupees are as under:

Earnings in foreign currency FY 2022-23: ₹ 93,659.36 Lakhs

Outgo (including imports) in foreign currency FY 2022-23: ₹ 16,686.69 Lakhs

For and on behalf of the Board of Directors,

Mumbai
9th August, 2023

Dr. Prakash A. Mody
Chairman & Managing Director
(DIN: 0001285)

[Particulars under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:**

Sr. No.	Name of the Director	Ratio
1	Dr. Prakash A. Mody (Chairman & Managing Director)*	133.58
2	Mr. Dilip Kunkolienkar (Director Technical)**	53.95

* Redesignated as Non Executive, Non Independent Director and Chairman w.e.f. 10th August,2023

** Resigned w.e.f. 10th August, 2023

The Non-Executive Independent Directors were only paid sitting fees during the year for attending Meetings of the Board and Committees thereof. The principles governing increase in the remuneration of Executive Directors and increase in sitting fees payable to Non-Executive Independent Directors are as within the statutory provisions. Further, the amount of sitting fees received by a Non-Executive Independent Director depends on (a) amount of sitting fee fixed by the Board for Meetings of the Board and its Committee, and (b) number of Meetings of the Board and Committee(s) attended by the Director. Therefore, the information as to ratio of sitting fees paid to the median remuneration of employees and percentage increase in remuneration of Non-Executive Independent Directors is not relevant and hence, their ratios are not provided.

- (ii) **The percentage increase/(decrease) in the remuneration of each Director, Chief Financial Officer and Company Secretary or Manager during the financial year 2022-23:**

Sr. No.	Name	% increase/(decrease)
1	Dr. Prakash A. Mody (Chairman & Managing Director) *	6.68
2	Mr. Dilip Kunkolienkar (Director Technical) **	21.79
3	Mr. Sandip Ghume (Deputy Chief Financial Officer)	11.49
4	Mr. Pradeep Bhandari (Head-Legal & Company Secretary)	10.00

* Redesignated as Non Executive, Non Independent Director and Chairman w.e.f. 10th August,2023

** Resigned w.e.f. 10th August, 2023

- (iii) **The percentage increase in the median remuneration of employees during the financial year 2022-23: 7.40%**

- (iv) **The number of permanent employees on the rolls of the Company:**

There were 3,123 permanent employees on the rolls as on 31st March, 2023.

- (v) **The average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in remuneration of managerial personnel is 12.86% and the increase for employees other than managerial personnel is 11.30%.

- (vi) **Affirmation that the remuneration is as per the remuneration policy of the Company: Yes**

For and on behalf of the Board of Directors,

Dr. Prakash A. Mody

Chairman and Managing Director

(DIN: 00001285)

Mumbai

9th August, 2023

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT
SECTION A: GENERAL DISCLOSURES

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

- P1 Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable.
- P2 Businesses should provide goods and services in a manner that is sustainable and safe.
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
- P4 Businesses should respect the interests of and be responsive towards all their stakeholders.
- P5 Businesses should respect and promote human rights.
- P6 Businesses should respect, protect, and make efforts to restore the environment.
- P7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P8 Businesses should promote inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their consumers in a responsible manner.

1	Corporate Identity Number (CIN) of the Company	L99999MH1962PLC012451
2	Name of the listed entity	Unichem Laboratories Limited
3	Year of Incorporation	22nd August, 1962
4	Registered office address	Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (West), Mumbai 400 102
5	Corporate office address	Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (West), Mumbai 400 102
6	E-mail ID	shares@unichemlabs.com
7	Telephone	(022) 6688 8333
8	Website	www.unichemlabs.com
9	Financial year for which reporting is being done	1st April 2022- 31st March, 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up capital	₹ 1,408.12 Lakhs
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Pradeep Bhandari Head-Legal & Company Secretary Telephone (022- 66888404) shares@unichemlabs.com
13	Reporting boundary	Disclosures under this report are made on a standalone basis

14. Details of business activities (accounting for 90% of turnover)

Sr. No.	Description of main activity	Description of business activity	% of turnover
a	Manufacture and Sale of pharmaceutical products	Drugs and Pharmaceuticals	100%

15. Products/services sold by the entity (accounting for 90% of the entity's turnover)

Sr. No.	Product/Service	NIC Code	% of total turnover contributed
a	Manufacture of Allopathic Medicines	Class 2100/Sub class 21002	100%

16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Number of R&D Centers	Number of Offices	Total
National	6	1	2	9
International	1	0	8	9

17. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of states)*	0
International (No. of countries)	74

* Our significant sales constitutes export of finished formulations.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Our contribution to export is 96.90% of our total turnover during the Financial Year 2022-23. (Standalone)

c. A brief on types of customers

Unichem manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in several markets across the world. Unichem products are mainly sold to its wholly owned subsidiaries based out of India. Our ultimate customers are the patients who use our product. Stockists, Distributors, Suppliers, health care professionals, and investors all form part of our key stakeholders.

18. Details as at the end of Financial Year

a. Employees and workers (including differently abled)

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
a	Permanent (D)	2,007	1,732	86.30	275	13.70
b	Other than permanent (E)	178	146	82.02	32	17.98
c	Total employees (D + E)	2,185	1,878	85.95	307	14.05
Workers						
a	Permanent (F)	887	881	99.32	6	0.68
b	Other than permanent (G)	51	51	100.00	0	0
c	Total Workers (F+G)	938	932	99.36	6	0.64

b. Differently abled employees and workers

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled employees						
a	Permanent (D)	0	0	0	0	0
b	Other than permanent (E)	0	0	0	0	0
c	Total differently abled employees (D + E)	0	0	0	0	0
Differently abled workers						
a	Permanent (F)	0	0	0	0	0
b	Other than permanent (G)	0	0	0	0	0
c	Total differently abled workers (F+G)	0	0	0	0	0

The Company presently does not have any differently-abled employees on the payroll. Being a diverse and inclusive organization, all efforts are made to ensure we can attract the best talent based on merits with an effort to minimize biases.

19. Participation/inclusion/representation of women

Particulars	Total (A)	No. & Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	1	16.67
Key Management Personnel*	2	-	-

* Key Management Personal (KMP) mentioned here consists of Company Secretary and Deputy CFO. Whole-time directors are considered in Board of Directors and not in KMP.

20. Turnover rate for permanent employees (Disclose trends for the past 3 years)

Sr. No.	Particulars	FY 2023 (%)			FY 2022 (%)			FY 2021 (%)		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
a	Permanent Employees	26.95	20.88	26.12	28.00	24.01	27.44	22.99	17.48	22.19
b	Permanent Workers	18.38	16.67	18.36	15.62	15.38	15.61	12.88	0.00	12.77

21. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name	Relationship	Shareholding	Participation in BR initiatives of Unichem
a	Unichem Pharmaceuticals (USA) Inc	Subsidiary	100%	Yes, the company encourages its subsidiaries and associate to participate in its business responsibility activities wherever applicable and relevant.
b	Niche Generics Limited UK			
c	Unichem Laboratories Limited, Ireland			
d	Unichem Farmaceutica Do Brasil Lta			
e	Unichem S.A. Proprietary Limited, South Africa			
f	Unichem (China) Pvt Limited			
g	Synchron Research Services Private Limited	Associate	32.11%	

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: In terms of Section 135(1) of the Companies Act, 2013 (Act), CSR is applicable to the Company. However, in terms of Section 135(5) of the Act, there was no mandatory requirement for the Company to spend on CSR activities for the financial year 2022-23 due to losses. The Company has made a voluntary contribution of ₹ 28.00 Lakhs for CSR activities.
- (ii) Turnover (in ₹): ₹ 107,243.22 Lakhs
- (iii) Net worth (in ₹): ₹ 238,427.06 Lakhs

23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place & web-link	FY 2023			FY 2022		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Customers*	Yes	150	17@	All pending complaints are being investigated and will be resolved in due course	183	10	Pending complaints at the end of FY 2021-22 are resolved, except one complaint which is pending and is under investigation
Shareholders and investors	Yes	1	0	-	1	0	-
Employees and workers	Yes	3	0	-	1	0	-
Value Chain Partners	Yes	0	0	-	1	0	-
Communities	Yes	3	0	-	4	0	-
Others	Yes	0	1	Detailed in Principle no. 6 , point no. 12	0	1	Detailed in Principle no. 6 , point no. 12

@ Includes one complaint of last FY which is pending and is under investigation.

* For Customer complaints we have only enlisted product technical complaints in the table given above. The Quality Assurance (QA) team takes cognizance of the complaints received from customers which are related to product quality. The QA has Standard Operating Procedures (SOPs) for receiving, investigating, and responding to customer complaints on product quality. Complaints can be raised by the customers to the QA or business team at the e-mail IDs provided by the respective teams. In addition, dedicated toll-free numbers are made available depending on the regional requirements of the customers which are handled by external Pharmacovigilance service agencies. There is also a dedicated e-mail ID wherein urgent safety issues or medical emergencies can be contacted to report adverse events. Customers can also reach the Company at <https://www.unichemlabs.com/contact-us.php>

As a principle, the Company strives to resolve the grievances with its stakeholders in a fair and equitable manner. The HR Grievance mechanisms are detailed in the Grievance handling policy. The Company has in place a Code of Business Conduct and Ethics, Whistle Blower Policy and a Policy for the Prevention of Sexual Harassment at the Workplace. Policies which are required by the Law is available on the website of the Company namely www.unichemlabs.com and the policies which are internal to the Company are available on the intranet of the Company. Complaints can be marked at whistle.blower@unichemlabs.com

Company's Registrar & Transfer Agent, M/s. Link Intime India Pvt. Ltd., and the Secretarial team of the Company looks after all the grievances pertaining to the shareholders. The Company has a dedicated e-mail ID shares@unichemlabs.com wherein the shareholders can reach out to the Company with any queries or complaints. The website also has details of the person who can be contacted for queries.

Value Chain Partners can raise their grievances by writing to the concerned functional head, or location head. The same is attended promptly by the concerned head.

Communities can raise their grievances through the concerned Company's HR, plant heads, or through Implementing Agencies. The same if unresolved can be escalated to the CSR Committee as well.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, and an approach to adapt or mitigate the risk:

1. Product quality and safety and data integrity

Sr. No.	Indicate whether risk or opportunity	Both risk and opportunity
a	The rationale for Identifying Risk/ Opportunity	Product quality and safety are the topmost priorities for the Company to retain and grow its customer base. Any failure to comply with the laid down regulations and policies can lead to sub-optimal product quality and pose a significant health hazard to our patients and can hamper the operations due to regulatory sanctions. Accurate and reliable data to ensure the safety, efficacy, and quality of products. Mismanagement of data could lead to modification, duplication, deletion, and falsification of electronic and other data.
b	In the case of Risk, the approach to adapt or mitigate	Implementing and consistently following the highest standards of product safety and quality at all levels of our operations so that our products are safe for usage by our customers. For safeguarding data integrity periodic checks are put in place to monitor the efficacy of implemented security measures by corresponding key performance indicators and key risk indicators. A dedicated team is in place to assess the data integrity risks from time to time.
c	Financial implications of the risk or opportunity (indicative Positive/Negative Implications)	Following strict product quality and safety will aid in increasing customer base orders thus enhancing sales and profits. Sub-standard products and breaches of data integrity may manifest in the form of lawsuits, fines, penalties, settlements leading to huge costs and reputational damage.

2. Regulatory Compliance

Sr. No.	Indicate whether risk or opportunity	Both risk and opportunity
a	The rationale for Identifying Risk/ Opportunity	The Pharma Industry is a highly regulated industry across the globe. The Regulatory compliance is constantly evolving due to technological advancement and emerging product/process knowledge. Consistent compliance with the regulatory expectations provides continuity in business without business interruptions. In this industry, any unaccounted non-compliance may lead to loss of business and reputation.
b	In the case of Risk, the approach to adapt or mitigate	To mitigate the risk the Company has to: <ul style="list-style-type: none"> • Strictly adhere to laid down Standard Operating Practices. • Maintain the international accreditations from leading global regulators. • Maintain the highest standard of quality and adherence to the applicable regulatory requirements so as to avoid adverse findings by the Regulators. • Carry out independent audits and seek consultations from experts wherever required.
c	Financial implications of the risk or opportunity (indicative Positive/Negative Implications)	A highly regulatory-compliant company always has a competitive advantage and helps in increasing its volumes and profits on a consistent basis. Non-compliance is viewed very strictly in this industry which may even result in the issue of warning letters by the regulators, closure of manufacturing plants, or imposing penalties resulting in loss of revenue and profits.

3. Research and Development

Sr No.	Indicate whether risk or opportunity	Risk and opportunity
a	The rationale for Identifying Risk/ Opportunity	R&D is the core that will power Unichem's future growth through a dual strategy of the development of patent non-infringing processes for APIs and the development of Novel Drug Delivery Systems (NDDS). Investment in R&D will expand our patient outreach, health outcomes and explore new areas for long-time sustainable growth. New product launches are subject to significant investments, regulatory roadblocks, stiff competition, patent litigations, etc, which may delay the launch of new critical products.
b	In the case of Risk, the approach to adapt or mitigate	The Centre of Excellence (CoE) in Goa, fuelled by over 300 scientists including over 30 PhDs, is the place where the potential of Unichem is brought to life. The R&D Centre boasts a strong synthesis and analytical team with the latest facilities at their disposal. The Formulations R&D has State-of-the-Art facilities to undertake formulation development of tablets, capsules, and liquid orals and a separate facility for injectable and Pre-formulation laboratories to carry out drug-excipient compatibility studies and physical characterization of API. Deliberations are done at various levels on the identification of new products for development.
c	Financial implications of the risk or opportunity (indicative Positive/Negative Implications)	Positive impact on growth, revenue and profits. Delays in launch will lead to rising costs and price erosion on critical products especially in developed nations like the USA.

4. Environment Health and Safety

Sr. No.	Indicate whether risk or opportunity	Risk
a	The rationale for Identifying Risk/ Opportunity	A cleaner and renewable source of energy is the need of the day since climate change poses a threat to business continuity, human safety, and long-term sustainability. A Hazardous and unsafe environment can cause physical and mental harm to the employees impacting their productivity and efficiency directly impacting the costs of the Company in terms of medical expenses, damages and productivity as well.
b	In the case of Risk, the approach to adapt or mitigate	The Company is committed to providing a safe and conducive environment to all its employees. All our policies and practices promote this commitment. We conduct audits at regular intervals to identify areas of high risks and taking proactive steps to minimize them. The Company has conducted external audits as per ISO14001 and ISO45001 at its plants. Mock drills and other training sessions are conducted for employees to create individual awareness of the health and safety process. We ensure compliance with local regulations and best-in-class industry safety standards across our locations.
c	Financial implications of the risk or opportunity (indicative Positive/Negative Implications)	Lack of a healthy and safe working environment will lead to employees missing work due to illness and injuries which will directly impact the company's productivity and costs in terms of increased medical expenses. Increased accidents due to unsafe working environments may result in higher costs of repairs and damages. Non-compliance with environmental regulations leads to scrutiny by regulators leading to fines and penalties and may also in severe situations lead to closure notices of the manufacturing units.

5. Sustainable Supply Chain management

Sr. No.	Indicate whether risk or opportunity	Risk and opportunity
a	The rationale for Identifying Risk/ Opportunity	A supply chain is generally characterized by the timely availability of APIs and Intermediates, rising raw material prices, transportation costs, and dependence on a few vendors. Disruptions are inevitable in situations like a pandemic or war.
b	In the case of Risk, the approach to adapt or mitigate	<ul style="list-style-type: none"> • Efforts to maintain sufficient inventory for strategic molecules. • Development of alternate vendors for critical APIs, packing materials, and excipients. • Efficiently managing the logistics functions by entering competitive rate contracts. • Prioritizing supply strategies to prevent stock-outs of APIs and intermediates.
c	Financial implications of the risk or opportunity (indicative Positive/Negative Implications)	A sustainable supply chain ensures financial growth for the Company in terms of increased revenues due to uninterrupted supply. Cost remains under control due to systematic supply chain management.

6. Community Engagement

Sr. No.	Indicate whether risk or opportunity	Risk and opportunity
a	The rationale for Identifying Risk/ Opportunity	Our manufacturing facilities are located in pan India. Our involvement with local communities in these areas is imperative for ensuring uninterrupted supply of materials, sharing of resources and availability of labour for the smooth functioning of our activities.
b	In the case of Risk, the approach to adapt or mitigate	Our Company believes in the philosophy of giving back to society. Being in the Pharmaceutical Industry the Company's focus has primarily been on health. Also, the Company focuses on various activities such as education, health, and sanitation. Detailed CSR activities are mentioned in Annexure D of the annual report.
c	Financial implications of the risk or opportunity (indicative Positive/Negative Implications)	Poor company engagement may lead to huge disruptions in terms of resources. Continuous engagement with the communities in which we operate will ensure smooth operations of our plants and redressal of any grievances.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocate nine principles referred as P1-P9 as given below:

- P1 Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable.
- P2 Businesses should provide goods and services in a manner that is sustainable and safe.
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
- P4 Businesses should respect the interests of and be responsive towards all their stakeholders.
- P5 Businesses should respect and promote human rights.
- P6 Businesses should respect, protect, and make efforts to restore the environment.
- P7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P8 Businesses should promote inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their consumers in a responsible manner.

Table-1. Principle-wise (as per NVGs) BR policy/policies

Sr. No.	Questions	Ethics and Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Restoring Environment	Public Policy Advocacy	Inclusive Growth	Customer Engagement
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes. The Policies are approved by the Board of Directors.								
	c. Web link of the policies, if available	https://www.unichemlabs.com/business-responsibility-policies.php								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the Company has translated the policies into procedures wherever applicable and to the extent possible.								
3.	Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes. The Code of Business Conduct and Ethics and the Whistle Blower policy is applicable to all stakeholders.								
4.	Name the national and international codes/ certifications/ labels/ standards	All our manufacturing facilities are adhering to cGMP (Current Good Manufacturing Practice) guidelines. Unichem has been successfully maintaining high-quality standards as per the CGMP guidelines issued by the USFDA, EU, WHO, and other global regulators. Three of our sites namely Roha, Kolhapur, and Pithampur are certified for ISO 14001 (Environment Management System) and ISO 45001 (Occupational Health and Safety Management System).								
5.	Specific commitments, goals, and targets set by the entity with defined timelines, if any	As provided on page 57								
6.	Performance of the entity against the specific commitments, goals, and targets, along with reasons in case the same are not met	As provided on page 57								

Sr. No.	Principles	5. Specific commitments, goals, and targets set by the entity	6. Performance of the entity against specific commitments, goals and targets
P1	Ethics	To implement across all our stakeholders zero-tolerance approach towards any unethical practices.	The said code is placed on the website and intranet of the Company for employees and other stakeholders. The Board of Directors and Senior Management Employees on an annual basis sign off on the compliance of the Code of Business Conduct and Ethics. Complaints received under these are investigated by the internal audit team and final reports are submitted to the Audit Committee wherever applicable.
P2	Product Sustainability	The Company is committed to ensuring resource efficient and low-carbon processes and technologies deployment to minimize adverse environmental and social impacts during the process of designing, producing, and making products available to customers.	Product Sustainability which emphasis on activities like R&D, product development, raw and packing material sourcing, product manufacture, product shelf-life enhancement, upkeep of plant and machinery to ensuring sustainable products.
P3	Employee well-being	<ol style="list-style-type: none"> Learning Management System (LMS) - To ensure the launch of LMS over a period of two years (ie. FY 21-22 and FY 22-23) at all the sites and move from offline recording of essential training details to online recording. Build an efficient and structured training system to increase the efficiency of the delivered training. Ensure all employees are covered under the employee welfare policy. 	<ol style="list-style-type: none"> Successfully launched LMS by FY 22-23 at all the sites and achieved recording training details online. An effective and structured training system was delivered resulting in increased efficiency of the training. As part of our commitment, all employees were covered under the employee welfare policy.
P4	Stakeholder Engagement	The Company is committed to enhancing shareholders' trust, confidence and value which is an ongoing and continuous effort.	The Secretarial and the Registrar and Transfer Agent (RTA) team continuously engages with the investors to redress their grievances. Meetings with investors are also undertaken when required. These activities are regularly monitored by the Stakeholders' Relationship Committee.
P5	Human Rights	The Company recognizes and respects human rights and the dignity of people. We are committed to promoting the human rights of our workforce and communities with whom we conduct our operations to help create a safe and discriminate free environment.	There were no human rights violations, or any complaints related to a child, forced and involuntary labour and discriminatory employment. The Company has set up an Internal Complaints Committee (ICC) to address complaints related to Sexual Harassment. The Company had received one complaint on sexual harassment for the year under review which has been resolved by the ICC as per the applicable guidelines. The Whistle Blower Policy also is a platform wherein any stakeholder can address their grievances for redressals. Policies concerning Human Rights, Prevention of Sexual Harassment at Workplace, and Whistle Blower are readily made available on the website of the Company and the intranet. The audit committee and the ICC oversees the functioning of the respective policies and take cognizance of the complaints and timely redressal if any.
P6	Environment Management	<ol style="list-style-type: none"> 85% of the total treated effluent is to be recycled and reused by 2025. 60% of total waste generated in operations is to be disposed off by co-processing/reuse/recycle by 2025. 10% Scope 1 and 2 emission reduction by 2030. 10% year on year reduction in Accident frequency rate and Incident frequency rate. 	<ol style="list-style-type: none"> 80% of the treated effluent is recycled. 53% of generated waste is disposed off by co-processing/reuse/recycle. 7.5% Reduction in scope 1 and 2 emissions is achieved. Accident frequency rate is reduced by 20% and Incident frequency rate is reduced by 42%.
P7	Public Advocacy Policy	To represent and engage with the concerned authorities and organisations on matters which concern the industry in which it operates. This engagement will bring about transparency, address critical operational issues and balance the needs and expectations of key stakeholders.	The Company is a member of various trade bodies and associations through which it has been advocating from time to time about measures to be taken by the Government to address issues related to the pharmaceutical industry. Membership of local associations at the manufacturing locations helps in the redressal of local operational issues.
P8	Equitable Development	Unichem from the past five decades has responsibly contributed towards corporate social responsibility activities, we are committed to bringing sustainable changes and adding value to the society in which we operate.	There was no mandatory requirement to spend towards CSR activities for the year under review. However the Company has voluntarily spent ₹ 28.00 Lakhs towards health and educational activities. Details on the CSR activities undertaken by the Company is available at Annexure D of the annual report. The CSR activities are monitored by the CSR committee from time to time.
P9	Customer Service	To provide consistent high-quality products and having a robust mechanism to redress customer complaints.	The Company regularly follows and adopts stringent quality assurance checks and controls to deliver world-class quality products. There were no major observations by the regulators on the operations at all our plants thus certifying our quality standards and practices. All customer complaints were handled as per the laid down protocols.

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Director's Statement

Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).

- Unichem is committed to providing high quality products by strengthening its R&D capabilities with minimal wastage of resources. Our vision is to make our business sustainable and socially responsible. We are exploring alternative sources of energy and developing efficient waste management systems. These energy conservation measures are aimed to make optimal use of our resources.
- On the environment front please refer to the section Environment Management for specific commitments, goals, and targets as detailed herein above on the ESG related challenges, targets and achievements.
- Our strength lies in our efficient workforce. Maintaining the well-being of our employees have always been our focus. We endeavor for the health, safety, and well-being of all the employees with zero fatality.
- As regards Governance, we are committed to upholding governance with the objective of maximising stakeholder value. We aim to promptly engage with our stakeholders to address their material issues.
- Community development is an ongoing exercise at the Company. We have contributed to various CSR activities in the fields of Health and Sanitation, Education, Women Empowerment, infrastructure etc. Supporting local and underprivileged communities through various CSR activities is an ongoing exercise. These activities are undertaken directly or through implementing agencies.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility (BR) Policy

Mr. Pabitrakumar Kalipada Bhattacharyya, Managing Director

9. Does the entity have a specified committee of the board/director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details

Yes. The Board of Directors is responsible for decision making on sustainability .

10. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC)

Sr. No.	Subject for Review	Indicate whether review was undertaken by directors/committee of the board/any other committee									Frequency (annually/half yearly/quarterly/any other-please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
a	Performance against the above policies and follow up action	Yes. The Company's business responsibility performance and its policies are reviewed by the board on an annual basis.																	
b	Compliance with statutory requirements of relevance to the principles and rectifications of any non-compliances	The Company follows the requirements of the relevance principles to the extent applicable.																	

11. Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

No. Assessment/evaluation of the working of the BRSR policies has been done by the Board.

12. If the answer to the question is "No" i.e., not all principles are covered by a policy. Reason to be stated: Not Applicable.

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Sr. No.	Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
a	Board of Directors and KMP	The Directors and KMP spent approximately six hours as a part of familiarization programmes	<p>Programmes consisted as under:</p> <ul style="list-style-type: none"> • Business plans and projects • Research and Development • Review of the BRSR policies and its working • Stakeholders' engagement activities • Review of CSR projects undertaken • Updates and review under the Whistle blower policy, Prevention of Sexual Harassment at Workplace, critical matters if any pertaining to the environment and the Insider Trading controls. <p>Principles covered under the above Topics 1, 2, 3, 4, and 8</p>	100%

Sr. No.	Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
b	Employees/ Workers other than the Board of Directors and KMPs	On average the employees and workers spent fourteen hours on various training programmes	The employees undergo various essential training/ awareness sessions as part of the induction covering Environmental Health and Safety (EHS), Pharmacovigilance, technical and compliance training, cyber security, Prevention of Insider Trading etc. These trainings help in ensuring all the employees are aligned to the requirements of the organization. The induction program also covers training under the Code of Business Conduct and Ethics, Whistle Blower Policy and Prevention of Sexual Harassment at Workplace. Principles covered under the above Topics 1, 2, 3, 5, 6 and 9.	100%

- Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings with regulators/ law enforcement agencies/judicial institutions in FY 2022-23 (Disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015) and as disclosed on the entity's website.: Nil**
- Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.** Not Applicable
- Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a weblink to the policy.:** The Company has in place Code on Business Conduct and Ethics which is available on the Company's web site at <https://www.unichemlabs.com/code-of-business-conduct-ethics.php> and on its intranet. The Company has also adopted an anti-bribery policy which is available on the intranet of the Company.
Both the above policies advocate a zero tolerance approach towards any unethical practices. The Company ensures that its employees do not indulge in any act of corruption and bribery. The HR and the internal audit team monitor compliance of such unethical practices and any violation is investigated, and its findings are reported to the audit committee for its review and action. As a part of training these policies are made available on the website and intranet of the Company.
- Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:** No complaints of conflict of interest of Directors and KMP were received during the financial year 2021-22 and financial year 2022-23.
- Details of complaints with regard to conflict of interest:** The Company has a policy on Related Party Transactions (RPTs). The RPTs are approved by the audit committee and the Board of Directors wherever applicable. No complaints with regard to conflict of interest were received in the financial years 2021-22 and 2022-23.
- Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.** Not Applicable

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

Sr. No.	Particular	FY 2023 (%)	Details of improvement in environment and social impacts
a	Capex	4.96	Environment projects-Modification and improvement of the effluent treatment system, air and water pollution control equipments and energy-saving technologies.
b	R&D	10.97	Installation of capital-intensive machines to detect nitrosamine impurities to reduce and mitigate nitrosamine impurities risk in Active Pharmaceutical Ingredients (APIs) and drug safety and quality of the drug supply.

Note: The data is made available from the financial year 2022-23.

- Does the entity have procedures in place for sustainable sourcing?**

Quality, safety, and reliable supply of our products is our prime objective. The Company has laid out procedures for choosing its suppliers from sourcing raw materials to the manufacturing and marketing of products. These procedures must be strictly complied with by our partners. Our supply chain strategy emphasizes sustainable procurement, and the Company makes efforts to encourage local sourcing of material. The Company has Standard Operating Procedures (SOPs) for appointing vendors.

Materials are sourced from approved vendors both locally and internationally. The Suppliers have to provide data on their accreditations, certifications, inspections, SOPs, warehouse maintenance, approaches to quality control and quality assurance etc, before they are taken on board. The frequency depends on the key materials procured and their value. The process includes sample approvals and performance trials. The Company has developed a long-standing business relationship with these vendors. Annual freight contracts for the movement of materials are executed with local and national transporters of repute and good credit standing. Compliance with GMP enables us to ensure that our products are consistently produced and controlled to the highest quality standards.

b. If Yes, what percentage of inputs were sourced sustainability?

We will assess a mechanism to track and monitor the percentage of input materials that are sourced sustainably.

2. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

The Company has got necessary approvals under hazardous waste management and handling rules. Each waste generated is disposed off as per the defined disposal path in the said rule. Disposal is done through the respective Pollution Control Board authorized agencies. Co-processing of hazardous waste is done to utilize energy from the waste. Reuse, recycle path of disposal has always been our first preference.

3. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

Yes, we are following the legal requirements as per EPR. We work in compliance with Plastic Waste Management Rules, 2016 and the EPR guidelines. Our waste collection plan is in line with the EPR plan submitted to the Pollution Control Board. Also, the EPR plan is executed through tie-ups with waste management agencies.

Essential Indicators

1 a. Details of measures for the well-being of employees

Sr. No.	Category	% employees covered by										
		Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)	
Permanent Employees												
a	Male	1,732	1,732	100	1,732	100	-	-	-	-	-	-
b	Female	275	275	100	275	100	275	100	-	-	196	71.27
c	Total	2,007	2,007	100	2,007	100	275	13.70	-	-	196	9.77
Other than Permanent Employees												
a	Male	146	146	100	146	100	-	-	-	-	-	-
b	Female	32	32	100	32	100	32	100	-	-	7	21.88
c	Total	178	178	100	178	100	32	17.98	-	-	7	3.93

b. Details of measures for the well-being of workers

Sr. No.	Category	% employees covered by										
		Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)	
Permanent Workers												
a	Male	881	881	100	881	100	-	-	-	-	-	-
b	Female	6	6	100	6	100	6	100	-	-	6	100
c	Total	887	887	100	887	100	6	0.68	-	-	6	0.68
Other than Permanent Workers												
a	Male	51	51	100	51	100	-	-	-	-	-	-
b	Female	-	-	-	-	-	-	-	-	-	-	-
c	Total	51	51	100	51	100	-	-	-	-	-	-

2. Details of retirement benefits for the current and previous financial year

Sr. No.	Particulars	FY 2023			FY 2022		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
a	PF	100	100	Y	100	100	Y
b	Gratuity*	92.54	93.92	Y	90.81	97.68	Y
c	Employee State Insurance (ESI) for eligible employees	20.05	51.28	Y	22.66	64.94	Y

* Trainees are not eligible for gratuity.

3. Accessibility of workplaces

Are the premises/offices accessible to differently-abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

The Company presently does not have employees who are differently abled. The Company is committed to making the concerned locations comfortably accessible to such employees as and when they come on board.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a weblink to the policy

The Company believes in equal opportunity for all its workforce and is committed to fostering a culture of diversity. We believe in providing a working environment free from any discrimination. Our various HR policies cover the aspects of the Rights of Persons with Disabilities Act, 2016.

5. Return to work and retention rates of permanent employees and workers who took parental leave

Sr. No.	Gender	Permanent employees		Permanent workers	
		Return to work rate (%)	Retention rate (%)	Return to work rate (%)	Retention rate (%)
a	Male	NA	NA	NA	NA
b	Female	100	82.35	NA	NA
c	Total	100	82.35	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief

Sr. No.	Particular	Yes/No
a	Permanent Employees	Yes
b	Other than Permanent Employees	Yes
c	Permanent Workers	Yes
d	Other than permanent Workers	Yes

We have the following redressal systems to receive and address grievances of employees:

- The aggrieved employees can address their complaints as per the Grievance Handling Policy which is posted on the intranet of the Company.
- The Company has in place an Internal Complaints Committee (ICC) under the Prevention of Sexual Harassment at Workplace which addresses matters pertaining to Sexual Harassment. The Sexual Harassment policy has in detail laid down the procedure to receive and address the concerns received under sexual harassment. The employees are made aware of this policy and its procedures.
- Any employee can also voice his/her concerns under the Whistle Blower Policy against any unethical behaviour. This policy has laid down the mechanism to receive and redress the grievances. Complaints received under this policy is reported to the Audit Committee of the Board.
- HR encourages employees to make suggestions or raise concerns with respect to working conditions, health and safety measures.
- With regards to non-permanent employees and workers, any grievances are handled directly by the contractors who employ them; however the Company co-operates and provide necessary support, information and documentation to the extent applicable for smooth redressal of the grievances.

7. Membership of employees and worker in association(s) or unions recognized by the listed entity

Sr. No.	Particulars	FY 2023			FY 2022		
		Total Employees/workers in the respective category (A)	No. of employees/workers in the respective category, who are part of the association(s) or union (B)	(%B/A)	Total Employees/workers in the respective category (C)	No. of employees/workers in the respective category, who are part of the association(s) or union (D)	(%D/C)
	Total Permanent Employees	2,007	120	5.98	1,975	124	6.28
a	Male	1,732	120	6.93	1,704	124	7.28
b	Female	275	0	0	271	0	0
	Total Permanent Workers	887	135	15.22	910	138	15.16
a	Male	881	135	15.32	904	138	15.27
b	Female	6	0	0	6	0	0

8. Details of training given to employees and workers

Sr. No.	Category	FY 2023						FY 2022					
		Total (A)	On health and safety		On skill upgradation		Total (D)	On health and safety		On skill upgradation			
			No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)		
Employees													
a	Male	1,878	1,878	100	1,776	94.57	1,911	1,911	100	1,801	94.24		
b	Female	307	307	100	252	82.08	309	309	100	254	82.20		
c	Total	2,185	2,185	100	2,028	92.81	2,220	2,220	100	2,055	92.57		
Workers													
a	Male	932	932	100	930	99.79	940	940	100	937	99.68		
b	Female	6	6	100	6	100.00	7	7	100	7	100		
c	Total	938	938	100	936	99.79	947	947	100	944	99.68		

9. Details of performance and career development reviews of employees and workers

Sr. No.	Category	FY 2023			FY 2022		
		Total (A)	No. (B)	(%B/A)	Total (C)	No. (D)	(%D/C)
Employees							
a	Male	1,878	1,492	79.45	1,911	1,356	70.96
b	Female	307	254	82.74	309	237	76.70
c	Total	2,185	1,746	79.91	2,220	1,593	71.76
Workers							
a	Male	932	727	78	940	740	78.72
b	Female	6	6	100	7	6	85.71
c	Total	938	733	78.14	947	746	78.78

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?

The Company has implemented well-defined Occupational Health and Safety Management system which takes care of all aspects such as men, machine and material safety. Three of our manufacturing locations namely Roha, Kolhapur and Pithampur are certified for ISO 14001 (Environment Management System) and ISO 45001 (Occupational health and safety management system). We are committed to providing a safe and healthy work environment for those working on, visiting, or living near our operations. Management at all levels is responsible and accountable for the occupational safety and health performance of the employees and workers.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has set procedures for the identification of work-related hazards and risks. Hazard Identification and Risk Assessment (HIRA) and Environmental Impact Assessment (EIA) are done for all routine and non-routine functions. All risk assessments are reviewed during any change, modification, upgradation as well as on a periodic basis.

c. Whether you have processes for workers to report work-related hazards and to remove themselves from such risks (Y/N)

Yes, there is a process for reporting work-related hazards and time-bound actions are taken to remove such risks. Periodic training is given to workers, and they are encouraged to report such hazards.

d. Do the employees have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company has an Occupational Health Centre at all locations with trained medical staff. A doctor on call facility is also made available if required. Medical checkup is conducted at regular intervals at the locations. All our employees and workers undergo pre-employment health assessment to ensure a healthy life. The Company has an employee Group Medical Policy and Personal Accident Policy. Employees and workers can avail of cashless medical services from a chain of hospitals across the country through the insurance coverage extended by the organisation. The Mediclaim policy of the Company also provides maternity benefits to its female employees. In the wake of COVID-19, the Company also introduced an Out Patient Department (OPD) facility wherein the scope of medical support was increased to cover OPD consultations inclusive of investigation reports. The Company also supports the employees in negotiating a group parental cover for their dependent parents.

11. Details of safety-related incidents

Sr. No.	Safety Incident / Number	Category	FY 2023	FY 2022
a	Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	Employees	0.30	0
		Workers	0.71	0
b	Total recordable work-related injuries	Employees	2	8
		Workers	4	9
c	No. of fatalities	Employees	Nil	
		Workers		
d	High consequence work-related injury or ill-health (excluding fatalities)	Employees		
		Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

The Company has implemented a defined Environment Health and Safety (EHS) system at all its sites. Dedicated EHS Team is available at all sites. A safety committee is formed at each site which comprise involvement from workers. Safety promotional activities such as celebration of safety and fire service week is undertaken to improve awareness and motivate workers. An audit mechanism is in place to verify compliance with internal standards as well statutory requirements. Medical checkup is periodically undertaken. Health awareness camps are also organized from time to time.

13. Number of complaints on the following made by employees

Sr. No.	Particulars	FY 2023			FY 2022		
		Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
a	Working conditions	Nil					
b	Health and safety						

14. Assessments for the year

Sr. No.	Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
a	Health and safety practices	100
b	Working conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and or significant risks/concerns arising from assessments of health and safety practices and working conditions

There are no pending actions for safety related incidents. The company has set procedures for investigation of safety related incidents if any and implement corrective and preventive actions in a time bound manner. Risk assessment is performed for all activities and control measures are defined and implemented. Closure of all gaps identified during internal and external audits/assessments in a timely manner is an ongoing process.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

An individual, group of individuals or an organisation that impact our business or are impacted by our business form the key stakeholders of our Company. Our core stakeholders are our end users namely the patients and include our customers, dealers, distributors, regulators, suppliers, shareholders, employees and the local communities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Sr. No.	Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
a	Patients	Yes	Pharmacovigilance/drug safety helpline, E-mails, Website	Continuous	To address queries related to any of our products. Reporting on adverse reactions and complaints from the end users.
b	Employees	No	Open houses, notice boards, appraisals, rewards and recognitions programs, grievance mechanisms, workshops, intranet, e-mails and employee engagement activities	Need based	To understand the needs of the employees regarding learning, performance career development, grievances, and building a safe equality-driven working environment.
c	Customers, Dealers and Distributors	No	E-mails and customer meets	Need based	Intimating them on our products, building stronger customer relationships. Enhancing business, Knowing the latest development in the market and its challenges.
d	Regulators	No	E-mails, facility audits and visits, one-on-one meetings, conferences, seminars	Periodic	Keeping abreast of the regulations and amendments. Seeking regulatory approvals to sell quality and safe goods to customers and tapping new jurisdictions.
e	Suppliers	No	E-mails, meetings, facility audits and grievance mechanism	Continuous	To ensure a continuous supply of goods without any interruptions. To identify and close gaps at supplier facilities related to cGMP practices. Addressing queries or feedback concerning products. Identifying right partners. Developing alternate suppliers for critical raw materials.
f	Investors/ Shareholders	No	Annual General Meetings, annual reports, newspaper and stock exchange communications, website, e-mail, grievance Mechanism.	Annual, Quarterly and if required need based	Communicating the business outlook and financial performance. Addressing their grievances on securities and others.
g	Communities	Yes	Directly or through CSR implementation agencies	Need based	Understanding the need of local communities and provide them with medicines and aid for education. To develop a sustainable ecosystem for our communities where we operate.

Essential Indicator

1. Employees who have been provided training on human rights issues and policy(ies)

It is our endeavour to impart knowledge and skills to employees and workers through various training programmes. The principles of human rights are guided by the Company's policies such as the Code of Business Conduct and Ethics, Prevention of Sexual Harassment at Workplace, Whistle Blower Policy and Policy on Human Rights. These policies are available on the website and intranet of the Company and employees are self-trained on the same. These policies are available to all employees 24/7 as a ready reference. Presently the Company does not track the training provided on human rights to its employees but is planning to implement the same shortly.

2. Details of minimum wages paid to employees and workers

Sr. No.	Category	FY 2023					FY 2022				
		Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
			No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees											
	Permanent	2,007	15	0.75	1,992	99.25	1,975	0	0	1,964	99.44
a	Male	1,732	15	0.87	1,717	99.13	1,704	0	0	1,694	99.41
b	Female	275	0	0	275	100	271	0	0	270	99.63
	Other than Permanent	178	85	47.75	93	52.25	245	0	0	222	90.61
a	Male	146	85	58.22	61	41.78	207	0	0	185	89.37
b	Female	32	0	0	32	100	38	0	0	37	97.37
Workers											
	Permanent	887	4	0.45	883	99.55	910	0	0	909	99.89
a	Male	881	4	0.45	877	99.55	904	0	0	903	99.89
b	Female	6	0	0	6	100	6	0	0	6	100
	Other than Permanent	51	18	35.29	33	64.71	37	3	8.11	24	64.86
a	Male	51	18	35.29	33	64.71	36	3	8.33	23	63.89
b	Female	0	0	0	0	0	1	0	0	1	100

3. Details of remuneration/salary/wages

Sr. No.	Particulars	Male		Female	
		Number	Median remuneration/salary/wages of respective category (₹ in Lakhs)	Number	Median remuneration/salary/wages of respective category (₹ in Lakhs)
a	Board of Directors (BoD) (Whole-time directors)	2	415.79	0	-
b	Board of Directors (Non Executive and Independent)	3	13.50	1	9.50
c	Key Managerial Personnel (other than BoD)	2	110.06	0	-
d	Employees other than BoD and KMP	1,874	6.00	307	4.50
e	Workers	932	3.10	6	5.27

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

We are committed to ensuring an inclusive environment, where people are treated with dignity and respect, so that employees can bring their best selves to work. We have an Internal Complaints Committee (ICC) which handles grievances of Sexual Harassment in workplace. We have zero tolerance towards any unethical practices. Such complaints can be addressed to the Whistle Blower Committee or under the mechanism given under the Code of Business Conduct and Ethics, which reports into the Audit Committee of the Company. Furthermore, employees can report on any human rights violation to the HR head at the locations or at the registered office.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

As mentioned in point 4 above.

6. Number of complaints on Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, wages, Other human rights related issues by employees and workers

Sr. No.	Particulars	FY 2023			FY 2022		
		Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
a	Sexual harassment	1	0	-	1	0	-
b	Discrimination in workplace	0	0	-	0	0	-
c	Child labour	0	0	-	0	0	-
d	Forced labour/involuntary labour	0	0	-	0	0	-
e	Wages	2	0	-	0	0	-
f	Other human rights related issues	0	0	-	0	0	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

We believe in protecting the privacy of our employees and all concerns of discrimination and harassment are dealt with confidentially. The Sexual Harassment Policy at workplace, the Code of Business Conduct and Ethics or the Whistle Blower policy ensures that the Complaint procedure will not lead to reprisals, retaliations or coercion as a result of filing the Complaint.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, in certain business agreements and contracts where relevant.

9. Assessments for the year

Sr. No.	Particulars	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
a	Child labour	100% of our plants are assessed by the statutory authorities and bodies as may be applicable from time to time. The state regulatory and statutory bodies inspect our plants on a periodic basis. Internal audits are also carried out as and when required.
b	Forced/involuntary labour	
c	Sexual harassment	
d	Discrimination at workplace	
e	Wages	
f	Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above

Not applicable as we have not come across any significant concerns from assessments conducted at our plant and offices.

Essential Indicators

Reporting Boundary: Standalone

1. Details of total energy consumption (in Giga Joules) and energy intensity

Sr. No.	Parameter	FY 2023	FY 2022
a	Total electricity consumption (A)	2,58,100	2,58,761
b	Total fuel consumption (B)	3,12,486	2,31,853
c	Energy consumption through other sources (C)	140	80
d	Total energy consumption (A+B+C)	5,70,726	4,90,694
e	Energy intensity per rupee of turnover (in kJ/rupee) (Total energy consumption/turnover in rupees)	0.000053	0.000052

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, the name of the external agency. No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any
Not Applicable

3. Provide details of the following disclosures related to water

Sr. No.	Parameter	FY2023	FY2022
Water withdrawal by source (in kiloliters)			
a	Surface water	1,49,314	1,85,267
b	Groundwater	1,44,501	1,28,899
c	Third-party water	1,13,543	66,907
d	Seawater / desalinated water	0	0
e	Others	0	0
Total volume of water withdrawal (in kiloliters) (a + b + c + d + e)		4,07,359	3,81,074
Total volume of water consumption (in kiloliters)		4,07,359	3,81,074
Water intensity per rupee of turnover (Water consumed in Liters / turnover in rupee)		0.038	0.0404

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

We aim to maximise recycling and re-use of treated wastewater within the sites, thereby reducing the intake of fresh water. The Company is committed towards resource conservation and follows all possible ways to achieve it. As on 31st March, 2023, four of our factories recycle and reuse their wastewater within the site. Treated water is reused wherever possible as per consent conditions. Such recycled water is used in cooling towers, toilet flushing, gardening etc. Zero liquid discharge is implemented at its manufacturing plants located at Roha, Pithampur, Kolhapur.

5. Please provide details of air emissions (other than GHG emissions) by the entity

Sr. No.	Parameter	Please Specify Unit	FY 2023	FY 2022
a	NOx	mg/Nm3	35.63	36.20
b	Sox	mg/Nm3	104.48	112.07
c	Particulate Matter	mg/Nm3	40.96	43.84
d	Persistent Organic Pollutants (POP)			Not applicable
e	Volatile Organic Compounds (VOC)			
f	Hazardous Air Pollutants (HAP)			
g	Others please specify			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency- No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity

Sr. No.	Parameter	Unit	FY 2023	FY 2022
a	Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 Equivalent	16,125	22,444
b	Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 Equivalent	66,760	66,589
c	Total Scope 1 and Scope 2 emissions per rupee of turnover	kg CO2 per rupee of turnover	0.000007729	0.000009442

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. Does the entity have any project related to reducing Green House Gas emissions? If yes, then provide details

Yes, the company is concerned about environmental pollution and taking measures to reduce the impact of greenhouse gas emission. Natural gas is being used as fuel at manufacturing locations wherever it is available. Energy conservation measures are implemented to reduce the consumption and greenhouse gas emissions, a few examples are:

- Replacement of mercury/Sodium vapour/Compact Fluorescent Lamps (CFL) with Light Emitting Diode (LED)
- Installation of Variable Frequency Drives (VFDs)
- Temperature controller for cooling tower fans operation
- Steam condensate recovery

8. Provide details related to waste management by the entity

Sr. No.	Parameter	FY 2023	FY 2022
Total Waste generated (in metric tonnes)			
(i)	Plastic waste (A)	107.00	113.70
(ii)	E-waste (B)	2.10	1.90
(iii)	Bio-medical waste (C)	10.30	11.40
(iv)	Construction and demolition waste (D)	0.00	0.00
(v)	Battery waste (E)	0.70	0.00
(vi)	Radioactive waste (F)	0.00	0.00
(vii)	Other Hazardous waste. Please specify, if any. (G)	4,664.30	4,388.50
(vii)	Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	529.40	600.10
Total (A+B + C + D + E + F + G+ H)		5,313.70	5,115.60
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)			
Category of waste			
(i)	Recycled	2,557.80	2,109.80
(ii)	Re-used	5.20	6.40
(iii)	Other recovery operations	27.20	14.80
Total		2,590.20	2,131.00
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)			
Category of waste			
(i)	Incineration	296.30	596.70
(ii)	Landfilling	2,227.10	2,240.10
(iii)	Other disposal operations	200.10	148.00
Total		2,723.50	2,984.70

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

All sites have authorization under hazardous waste management and handling rules. Some of the measures followed for waste handling and disposal are:

- At-source segregation of hazardous and non-hazardous waste
 - Minimization of waste by controlling leakage/spillage/ handling losses
 - Minimization of waste by process optimization
 - Storage of waste at dedicated waste storage area, segregation as per different categories of waste
 - Co-processing of waste to cement industry resulting in utilization of energy out of waste
- The Company has laid down safety procedures for the identification of hazards from the chemicals being used, using its Material Safety Data Sheet (MSDS). Training is imparted to all concerned. Dedicated and segregated storage is done as per the compatibility and storage conditions of the material. Leakage collection and arrest measures are provided in each storage area. An emergency action plan is prepared and training is imparted to all concerned.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details. No, we do not have any operations near ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year. Not Applicable

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances

Yes, the Company is following all the applicable environmental laws/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder and compliant on all aspects of it. One case is pending in court and at the Pollution Control Board involving environment-related issues as of the end of the financial year. This pertains to the year 2018. The Company has complied with the respective environmental Laws and Regulations and has timely represented this matter.

Essential Indicators

- Number of affiliations with trade and industry chambers/associations**
The Company is a member of five major industry chambers/associations.
 - List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to**

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
a	IMC Chamber of Commerce and Industry	National
b	Bombay Chamber of Commerce and Industry	State
c	Indian Pharmaceutical Association	National
d	Indian Drugs Manufacturers' Association	National
e	Confederation of Indian Industry	National

- Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

During the year, there were no adverse orders from regulatory authorities relating to anti-competitive conduct. However on 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Limited ("Niche") contending that they had acted in breach of EU competition law as Niche had, in early 2005 (when the Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company and Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited.

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year**

The Company undertakes its CSR initiatives directly and through various implementation agencies in accordance with the applicable laws. However, the Company does not undertake any social impact assessment.

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.** Not Applicable

- Describe the mechanisms to receive and redress grievances of the community**

There was no mandatory requirement to spend towards CSR activities for the year under review. However, the Company has made a voluntary contribution of ₹ 28 Lakhs towards CSR activities. All these CSR activities are handled by the implementing agencies who address any grievance reported therein in line with the applicable laws and the CSR policy of the Company. The company also directly undertakes its CSR activities. The CSR activities are periodically reviewed by the CSR committee. The Company has a dedicated email ID namely shares@unichemlabs.com wherein the grievances of the community can be addressed.

- Percentage of input material (inputs to total inputs by value) sourced from suppliers**

Sr. No.	Particular	FY 2023	FY 2022
a	Directly sourced from MSMEs/ small producers	3.22	3.96
b	Some directly from within the district and neighboring districts	The Company does not track inputs materials sourced from MSMEs with district and neighboring districts.	

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

The Corporate Quality Assurance (CQA) team takes cognizance of the complaints received from customers which are related to product quality. The CQA has developed Standard Operating Procedures (SOPs) for responding to customer complaints about product quality. Complaints can be raised by the customers to the CQA or business team at the e-mail IDs provided by the respective business teams. In addition, dedicated toll-free numbers are made available to the customers which is handled by external Pharmacovigilance service agencies. There is also a dedicated e-mail ID wherein urgent safety issues or medical emergencies can be contacted to report adverse events.

The Company has provided a dedicated e-mail ID namely shares@unichemlabs.com wherein any stakeholder can send their queries or complaints. The consumers can also raise their complaints/feedback as per the mechanism provided in our code of business conduct and ethics and the whistle-blower policy.

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information

Sr. No.	Particulars	As a % of Total turnover
a	Environment and social parameters relevant to the product	Nil There are no specific environmental and social parameters relevant to the product since the products are pharmaceutical products prescribed by medical practitioners.
b	Safe and responsible usage	100% Our products carry information about their responsible and safe usage. We display relevant information on the product labels as per the requirement of national and international regulatory bodies guidelines for the responsible and safe consumption of medicines.
c	Recycling and/or safe disposal	Nil While the products do not specifically mention any such details on its products, they comply with the applicable required statutory requirements of the Pollution Control Boards and applicable regulations for safe disposal of products etc.

3. Number of consumer complaints in respect of the following

Sr. No.	Particulars	FY 2023			FY 2022		
		Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
a	Data privacy	Nil	Not Applicable	-	Nil	Not Applicable	-
b	Advertising	Nil	Not Applicable	-	Nil	Not Applicable	-
c	Cyber-security		Not Applicable	-		Not Applicable	-
d	Restrictive Trade Practices (anti-competitive)	Nil	1	Refer to Principle 7 Point No. 2	Nil	1	Refer to Principle 7 Point No. 2
e	Unfair Trade Practices	Nil	0	-	Nil	Not Applicable	-
f	Others: Product related	Please refer to point no. 23 under Customers (Transparency and Disclosure Compliances)					

4. Details of instances of product recalls on account of safety issues

Sr. No.	Particular	Number	Reasons for recall
a	Voluntary recalls	1	The products were recalled ensuring our alignment to the highest standards of quality and the laid down Standard Operating Procedures (SOPs) wherever applicable.
b	Forced Recalls	Nil	-

5. Does the entity have a framework/policy on cybersecurity and risks related to data privacy? (Yes/No) If available, provide a weblink of the policy

Yes. The company has in place policies covering aspects of Cyber Security and information security to ensure sufficient safeguards to prevent any cyber-attack. The policy is aligned with GAMP 5: A risk-based approach to compliant GxP computerized systems. We have a data integrity and IT policy in place and the same is available on the intranet of our Company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services

The Company has not received any complaints with regards to advertising and delivery of essential services, cyber security and data privacy of customers.

With regards to voluntary recall cases, based on nature of complaint, defect and a health risk classification, the Corporate Quality Assurance (CQA) Department decides the recall of the products. The recall is carried out under the procedures set by the regulators of the concerned countries and as per the laid down SOPs of the Company. Recall is initiated once a decision is taken to recall the product. Investigation is carried out to find the root cause, investigation is conducted along with product quality risk assessment to determine impact on other associated batches. Based on the finding, corrective and preventive actions are taken. As an immediate corrective action, necessary training is given to the concerned departments and SOPs revisions are done wherever required.

To
The Members,
Unichem Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of **Unichem Laboratories Limited** ("the Company") which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

3. We draw attention to note 38 of the standalone financial statements regarding the EU fine matter and the Company's balance financial exposure (net of impairment of investment of ₹ 6,909.36 lakhs) of ₹ 5,927.77 lakhs in the subsidiary (Niche Generics Limited, UK) in respect of which in our view, the Company would need to provide for impairment of balance financial exposure of ₹ 5,927.77 lakhs. However, the management is of the view that no further provision is required for the balance financial exposure of ₹ 5,927.77 lakhs, unless the outcome of EU matter is not in favour of the subsidiary. The impact on the standalone financial statements of including the above provision would be that the Company would show total comprehensive loss for the year of ₹ 32,025.29 lakhs and balance in other equity of ₹ 2,31,091.17 lakhs as at balance sheet date as against the reported figures of total comprehensive loss for the year of ₹ 26,097.52 lakhs and other equity of ₹ 2,37,018.94 lakhs. Our audit report on standalone financial statements for the previous year ended 31st March, 2022 was also qualified in respect of this matter.
4. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the standalone financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

Emphasis of Matter Paragraph

5. We draw attention to note 11 of the standalone financial statements in regard to the fair value of unquoted equity investments in Optimus Drugs Private Limited ("Optimus") and the impact of change in fair value of such investments will be considered in the subsequent period when the audited financial statements of Optimus is available with the Company. Our opinion is not modified in respect of the above matter.

Key Audit Matters

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

6.1. Impairment test of investment in subsidiary at Ireland

Investments in subsidiaries are carried in the Company's standalone financial statements at cost less impairment. The cost of investment made by the Company in Unichem Laboratories Limited, Ireland as per standalone financial statements is ₹ 2,104.84 lakhs as at 31st March, 2023. The subsidiary has accumulated losses, negative net-worth and its current liabilities are higher than current assets as at balance sheet date. Considering the overall exposure in this subsidiary, need for impairment test is a key audit matter. For the purpose of our audit, we have considered margins earned by the subsidiary, past trends, discussion with management for business outlook and subsidiary's auditor's report. During the year ended 31st March, 2023, the Company on the basis of abundant precaution has made full provision towards impairment of investment of ₹ 2,104.84 lakhs. The management has made this provision after an internal assessment based on circumstances prevailing as at the balance sheet date, such as past performance, results, accumulated losses and expected cash flows and the same is considered by us for the purpose of our audit procedures. Refer note 42.2 of standalone financial statements.

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

7. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance, Business Responsibility and Sustainability Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing

so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that:
- a. Except in respect of matter specified in the Basis for Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
- e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse impact on the functioning of the Company;
- f. On the basis of the written representations received from the directors as on 31st March, 2023, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- g. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report given in "Annexure II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- h. The qualification relating to the maintenance of accounts and other matters connected therewith are as already stated in the Basis for Qualified Opinion paragraph above;
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer note 37(A)(i), 37(A)(ii), 37(B)(i), 37(B)(ii) and 37(B)(iii) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement. Also, refer note 60 of the standalone financial statements.
 - v. As stated in note 18 to the standalone financial statements:
(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act.
(b) The Board of Directors of the Company have not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For **N. A. Shah Associates LLP**
Chartered Accountants
Firm's Registration No.: 116560W/W100149

Milan Mody
Partner
Membership No.: 103286
UDIN.: 23103286BGPZMC8140

Place: Mumbai
Date: 23rd May, 2023

Annexure I to Independent Auditor's Report for the year ended 31st March, 2023

[Referred to point 9 under the heading "Report on other legal and regulatory requirements" of our report of even date]

- (i) In respect of Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right of use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program for conducting physical verification to cover all the items of property, plant and equipment and right of use assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties which are freehold are held in the name of the Company as at the balance sheet date. This has been verified by checking the original deeds and photocopy of the original deed in respect of one freehold land (since original document is deposited with bank) where confirmation is received from the bank as regards holding the original title deed. In respect of immovable properties of land that have been taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company as on 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; discrepancies noticed on verification between the physical stocks and the book records were not material i.e. less than 10% in aggregate for each class of inventory.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 Crores in aggregate from banks on the basis of security, which includes current assets of the Company. The Company has also filed quarterly returns and statements with the bank which are in agreement with the books of account. Refer note 24.1 to the standalone financial statements. Also, there are no borrowings from financial institution.
- (iii) (a) In our opinion and according to the information and explanations given to us, during the year the Company has made investments and given guarantees to banks in regard to loan availed by the subsidiary and details of guarantee are given below. Other than the aforesaid, there are no other guarantees, loans or advances in the nature of loan or security to any other companies, firms, limited liability partnerships or any other parties.

Details of guarantees given to bank on behalf of subsidiary:

Particulars	Amount in EURO (in lakhs)	Amount in INR* (in lakhs)
Aggregate amount of guarantees (including renewal) provided during the year	7.50	672.84
Closing balance of guarantees provided as on 31st March, 2023	30.00	2,691.38

* exchange rate as on 31st March, 2023

- (b) In our opinion, the investments made and guarantees provided, prima facie, are not prejudicial to the Company's interest. The Company has not granted any loans or advances in the nature of loan and given any security. Hence, reporting on clause (iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.
- (iv) The Company has complied with the provisions of Section 186 of the Act in respect of the investments made and guarantees provided by the Company. Further, there are no loans or securities given by the Company which are covered under Section 186 of the Act. There are no transactions during the year which are covered under Section 185 of the Act and therefore, the question of commenting on compliance of Section 185 of the Act does not arise.
- (v) In our opinion and according to the explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits. Therefore, question of reporting compliance with directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules made thereunder does not arise. We are informed that no order relating to the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act relating to the manufacture of drugs and pharmaceuticals and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs,

duty of excise, value added tax, cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities except unpaid provident fund contribution of ₹ 10.87 Lakhs which will be paid off on linking of aadhar number of certain employees with the provident fund portal. Also refer note 27.2 of the standalone financial statements. Our opinion is not modified in respect of this matter. Other than the above, there are no undisputed statutory dues payable in respect to above statutes, outstanding as at 31st March, 2023, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed sales tax, goods and services tax, service tax, duty of customs, duty of excise and value added tax as on 31st March, 2023, which have not been deposited except the following disputed dues which have not been deposited since the matters are pending with the relevant forums.

(₹ in Lakhs)

Name of the Statutes	Nature of the dues	Disputed amount	Amount paid in protest	Unpaid amount	Period to which it relates	Forum where dispute is pending
The Madhya Pradesh Value Added Tax Act, 2002	Entry Tax and Interest	10.94	2.73	8.21	FY 2015-16	Additional Commissioner of Commercial Tax, Indore
The Madhya Pradesh Value Added Tax Act, 2002	Non Submission of Forms including interest	18.46	4.61	13.85	FY 2016-2017	Additional Commissioner of Commercial Tax, Indore
The Madhya Pradesh Value Added Tax Act, 2002	Disallowance of Input tax Rebate	35.97	8.99	26.98	FY 2016-2017	Additional Commissioner of Commercial Tax, Indore
The Madhya Pradesh Value Added Tax Act, 2002	Disallowance of Input tax Rebate	33.28	8.33	24.95	FY 2017-2018	Additional Commissioner of Commercial Tax, Indore
The Finance Act, 1994 (Service Tax)	Disallowance of Service Tax Credit & Penalty	816.82	28.91	787.91	FY 2008-09 to August 2015	Appellate Tribunal (CESTAT) – Mumbai
The Finance Act, 1994 (Service Tax)	Disallowance of Service Tax Credit	231.40	16.81	214.59	September 2015 to June 2017	In the process of filing appeal to Commissioner of Central Tax (Appeals)
The Finance Act, 1994 (Service Tax)	Disallowance of Service Tax Credit & Penalty	139.88	5.24	134.64	January 2012 to March 2012	Appellate Tribunal (CESTAT) - Kolkata
The Central Excise Act, 1944	Disallowance of CENVAT Credit	41.42	3.10	38.32	FY 2011-12 to 2012-13	Commissionerate (Appeal) - Siliguri
The Central Excise Act, 1944	Excise Duty Liability	87.95	6.60	81.36	FY 2013-14 to FY 2016-17	Joint Commissioner, CGST & Central Excise, Ujjain

Also, refer note 37(B)(iii) to the standalone financial statements.

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to banks during the year. Moreover, there are no borrowings from financial institution or any other lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) In our opinion and according to the information and explanations given to us, there are no term loans obtained during the year. Further, outstanding term loan at the beginning of the year was applied for the purpose for which the loan was obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company. Hence, further reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and its associate. The Company does not have any joint ventures. Hence, further reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries and its associate. The Company does not have any joint ventures. Hence, further reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Accordingly, clause (x)(a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Accordingly, clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year. Accordingly, clause (xi) of the Order is not applicable to the Company.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, clause (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in note 47 of the standalone financial statements as required by the applicable Accounting Standards.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till the date of our audit report, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, clause (xv) of the Order is not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) During the current year, the Company has incurred cash loss of ₹ 11,518.20 lakhs which is computed after (a) considering the effects of qualification and (b) excluding realised gain on equity instrument which is recognised in 'Other Comprehensive Income'. In the previous year, the Company had incurred cash loss of ₹ 2,216.25 lakhs after considering the effects of qualification as mentioned in the previous year qualified audit report.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) During the year, there are no unspent amounts towards Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.
- (xxi) The Company has only foreign subsidiaries, hence, reporting under clause 3(xxi) of the Order is not applicable. In case of associate, financial statements are unaudited for the year ended 31st March, 2023 and in the books of the Company, carrying value of investment in associate (net of impairment) is Nil. Further, there were no qualification / adverse remark given by the auditor of associate for the year ended 31st March, 2022.

For **N. A. Shah Associates LLP**
Chartered Accountants
Firm's Registration No.: 116560W/W100149

Milan Mody
Partner
Membership No.: 103286
UDIN.: 23103286BGPZMC8140

Place: Mumbai
Date: 23rd May, 2023

Annexure II to Independent Auditor's Report for the year ended 31st March, 2023

[Referred to point 10(g) under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the "Act")

Opinion

We have audited the internal financial controls over financial reporting of **Unichem Laboratories Limited** ("the Company"), as of 31st March, 2023, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone 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.

For **N. A. Shah Associates LLP**

Chartered Accountants

Firm's Registration No.: 116560W/W100149

Milan Mody

Partner

Membership No.: 103286

UDIN.: 23103286BGPZMC8140

Place: Mumbai

Date: 23rd May, 2023

as at 31st March, 2023

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,18,511.70	91,089.73
(b) Right of use assets	4	5,082.58	5,221.93
(c) Capital work-in-progress	3	14,782.00	49,417.99
(d) Investment property	5	-	-
(e) Other Intangible assets	3	-	-
(f) Financial assets			
(i) Investments	6	3,897.78	12,621.69
(ii) Loans	7	12.76	11.60
(iii) Other financial assets	8	631.57	813.06
(g) Other non-current assets	9	16,078.01	15,636.32
		1,58,996.40	1,74,812.32
Current assets			
(a) Inventories	10	48,018.93	46,069.37
(b) Financial assets			
(i) Investments	11	153.56	26,358.02
(ii) Trade receivables	12	47,207.61	38,084.29
(iii) Cash and bank balances	13		
Cash & cash equivalents		15,566.84	9,412.69
Other bank balances		161.09	490.59
(iv) Loans	14	5.62	5.23
(v) Other financial assets	15	170.69	55.07
(c) Other current assets	16	17,992.07	16,573.85
		1,29,276.41	1,37,049.11
Non-current assets held for sale	5.2	341.10	346.96
TOTAL ASSETS		2,88,613.91	3,12,208.39
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	1,408.12	1,408.12
(b) Other equity	18	2,37,018.94	2,65,795.97
		2,38,427.06	2,67,204.09
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	6,364.90	8,901.06
(ii) Lease liabilities	20	655.66	596.21
(b) Provisions	21	4,190.69	3,996.17
(c) Deferred tax liabilities (net)	22	-	-
(d) Other non-current liabilities	23	109.50	469.21
		11,320.75	13,962.65
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	3,802.62	3,709.17
(ii) Lease liabilities	20	2.00	2.00
(iii) Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises		551.31	884.98
Total outstanding dues of creditors other than micro enterprises and small enterprises		23,895.97	14,822.96
(iv) Other financial liabilities	26	4,548.45	5,245.18
(b) Other current liabilities	27	4,865.00	4,768.08
(c) Provisions	28	1,200.75	1,609.28
		38,866.10	31,041.65
TOTAL EQUITY AND LIABILITIES		2,88,613.91	3,12,208.39
Significant accounting policies & notes	1 - 64		

Notes to Accounts form an integral part of standalone financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Date: 23rd May, 2023

Sandip Ghume

Deputy Chief

Financial Officer

Pradeep Bhandari

Head - Legal &

Company Secretary

Dr. Prakash A. Mody

Chairman &

Managing Director

DIN.: 00001285

Dilip Kunkolienkar

Director - Technical

DIN.: 02666678

Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I Revenue from operations	29	1,07,243.22	94,292.66
II Other income	30	4,184.75	4,206.79
III Total Income (I+II)		1,11,427.97	98,499.45
IV EXPENSES			
Cost of materials consumed	31	50,033.50	43,492.03
Purchases of Stock-in-Trade		152.65	134.90
Changes in inventories of finished goods and work-in-progress	31	2,201.32	(5,279.05)
Employee benefits expense	32	27,086.47	25,079.27
Finance costs	33	938.02	207.42
Impairment loss on financial assets	34	341.72	806.07
Depreciation and amortisation expense	3,4	10,597.92	8,318.76
Other expenses	35	36,718.90	34,414.82
Total expenses (IV)		1,28,070.50	1,07,174.22
V Profit / (Loss) before exceptional items and tax (III-IV)		(16,642.53)	(8,674.77)
VI Exceptional items - expenses	35.2	11,266.44	-
VII Profit / (Loss) before tax (V-VI)		(27,908.97)	(8,674.77)
VIII Tax expense:			
(1) Current tax	22	-	-
(2) Deferred tax charge / (credit)	22	2,061.22	(3,155.51)
(3) Short / (Excess) provision for tax (earlier years)	22	-	23.70
		2,061.22	(3,131.81)
IX Profit / (Loss) for the year (VII-VIII)		(29,970.19)	(5,542.96)
X Other Comprehensive Income	36		
A (i) Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of the net defined benefit plan		224.63	(323.91)
- Equity instruments through other comprehensive income		1,586.82	7,646.40
(ii) Income tax (expense) / credit relating to items that will not be reclassified to profit or loss			
- Remeasurement of the net defined benefit plan		-	(24.58)
- Equity instruments through other comprehensive income (net)		2,061.22	(1,760.71)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total of Other Comprehensive Income		3,872.67	5,537.20
XI Total Comprehensive Income for the year (IX+X)		(26,097.52)	(5.76)
XII Earnings per equity share (face value of ₹ 2 each)	49		
(1) Basic		(42.57)	(7.87)
(2) Diluted		(42.57)	(7.87)
Significant accounting policies & notes	1 - 64		

Notes to Accounts form an integral part of standalone financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors**Milan Mody**

Partner

Membership No.: 103286

Place: Mumbai

Date: 23rd May, 2023

Sandip Ghume

Deputy Chief

Financial Officer

Pradeep Bhandari

Head - Legal &

Company Secretary

Dr. Prakash A. Mody

Chairman &

Managing Director

DIN.: 00001285

Dilip Kunkolienkar

Director - Technical

DIN.: 02666678

A. Equity Share Capital

Particulars	2022-2023		2021-2022	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Shares outstanding as at the beginning of the year	7,04,05,750	1,408.12	7,04,05,750	1,408.12
Add: Shares allotted under ESOP during the year	-	-	-	-
Shares outstanding as at the end of the year	7,04,05,750	1,408.12	7,04,05,750	1,408.12

B. Other Equity

(₹ in Lakhs)

Particulars	Employee stock options outstanding account	Reserves and Surplus			Other Comprehensive Income (OCI)		Total
		Securities Premium	Capital Redemption Reserve	Retained Earnings	Remeasurements of defined benefit plans	Equity instrument through OCI	
Balance at 31st March, 2021	775.20	133.02	412.00	2,64,895.67	(538.23)	2,647.69	2,68,325.35
Profit / (Loss) for the year	-	-	-	(5,542.96)	-	-	(5,542.96)
Other Comprehensive Income for the year	-	-	-	-	(348.49)	5,885.69	5,537.20
Payment of dividend	-	-	-	(2,816.23)	-	-	(2,816.23)
Recognition of share-based payment (ESOP) (net)	292.61	-	-	-	-	-	292.61
Balance at 31st March, 2022	1,067.81	133.02	412.00	2,56,536.48	(886.72)	8,533.38	2,65,795.97
Profit / (Loss) for the year	-	-	-	(29,970.19)	-	-	(29,970.19)
Other Comprehensive Income for the year	-	-	-	-	224.63	3,648.04	3,872.67
Payment of dividend	-	-	-	(2,816.23)	-	-	(2,816.23)
Recognition of share-based payment (ESOP) (net)	136.72	-	-	-	-	-	136.72
Transfer to retained earnings	-	-	-	12,181.42	-	(12,181.42)	-
Balance at 31st March, 2023	1,204.53	133.02	412.00	2,35,931.48	(662.09)	-	2,37,018.94

Significant accounting policies & notes

1 - 64

Notes to Accounts form an integral part of standalone financial statements**Employee stock options outstanding account**

The fair value of the equity-settled share based payment transactions with employees is recognised in standalone statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account. Also refer note 18.2.

Securities Premium

The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The utilisation of securities premium is in accordance with section 52 of the Companies Act, 2013.

Capital Redemption Reserve

The Company had recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back. This reserve will be utilised in accordance with section 69 of the Companies Act, 2013.

Other Comprehensive Income

- The reserve represents the remeasurement gains / (losses) arising from the actuarial valuation of the defined benefit obligations of the Company. The remeasurement gains / (losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.
- Equity instrument through OCI represents changes in fair value of equity instruments which are measured at fair value through OCI, net of taxes. The amounts recognised under this reserve are not reclassified to profit or loss. However, it may be transferred to retained earnings on realisation.

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors**Milan Mody**

Partner

Membership No.: 103286

Place: Mumbai

Date: 23rd May, 2023

Sandip Ghume

Deputy Chief

Financial Officer

Pradeep Bhandari

Head - Legal &

Company Secretary

Dr. Prakash A. Mody

Chairman &

Managing Director

DIN.: 00001285

Dilip Kunkolienkar

Director - Technical

DIN.: 02666678

for the year ended 31st March, 2023

(₹ in Lakhs)

CIN: L99999MH1962PLC012451

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. Cash Flow from Operating Activities		
Net Profit / (loss) before tax	(27,908.97)	(8,674.77)
Adjustments:		
Depreciation / amortisation	10,597.92	8,325.07
Loss / (profit) on sale / discard of property, plant and equipment (net)	(128.26)	25.34
Unrealised exchange difference (net)	(144.37)	(163.49)
Rent income	(0.10)	(30.84)
Guarantee commission income	(25.43)	(28.86)
Finance cost	938.02	207.42
Provision for doubtful debts, loans, advances & deposits (net)	67.43	(115.33)
Share-based payment to employees	104.93	224.56
Fair value gain on investments (net)	(904.94)	(312.19)
Net loss on sale of shares	502.24	-
Interest income	(23.99)	(627.28)
Sundry balances written off / (written back)	(8.99)	(89.01)
Impairment loss on financial assets		
- investments in subsidiaries	9,014.21	-
- investments in equity instruments of associate	-	569.31
- inter-corporate deposits and interest thereon	341.72	236.76
Dividend income	(0.59)	(1,001.35)
	20,329.80	7,220.11
Operating Profit / (Loss) before working capital changes	(7,579.17)	(1,454.66)
Working Capital Adjustments:		
Trade receivables and other assets	(12,223.19)	(5,290.27)
Inventories	(1,949.56)	(7,457.72)
Trade payable and other liabilities	10,028.12	(2,034.18)
	(4,144.63)	(14,782.17)
Cash generated from / (used in) operations	(11,723.80)	(16,236.83)
Direct taxes refund received / (payment made)	(9.17)	405.85
Net Cash Flow from / (used in) Operating Activities A	(11,732.97)	(15,830.98)
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment including Capital WIP	(4,204.82)	(12,655.90)
Proceeds from sale of property, plant and equipment	637.39	16.41
Investments made		
- in subsidiaries (at cost)	(270.87)	(222.90)
Guarantee commission income realised	40.16	590.45
Sale of current investment (net)	23,651.03	20,408.73
Rent received	0.10	30.84
(Increase) / decrease in escrow bank accounts	329.50	8.19
Interest received	66.64	1,453.99
Dividend received	0.59	1,001.35
Net cash flow from / (used in) Investing Activities B	20,249.72	10,631.16
C. Cash Flow from Financing Activities		
Increase / (decrease) in working capital borrowings (net)	85.03	1,121.18
Receipt of term loan from bank	-	12,418.96
Repayments of long term borrowings	(2,566.32)	(951.58)
Payments of Lease liabilities	(15.16)	(15.16)
Finance cost paid	(854.02)	(156.77)
Dividend paid	(2,825.45)	(2,836.15)
Net cash flow from / (used in) Financing Activities C	(6,175.92)	9,580.48
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	2,340.83	4,380.66
Add: Current Investments reclassified as cash and cash equivalents during the year	3,638.01	-
Net (Decrease) / Increase in Cash and Cash Equivalents	5,978.84	4,380.66
Cash and Cash Equivalents at the beginning of the year	9,412.69	5,259.86
Effect of fair value gain / (loss) on liquid mutual Funds	175.31	(227.83)
Cash and Cash Equivalents at the end of the year	15,566.84	9,412.69
Significant accounting policies & notes	1 - 64	

Notes: 1. Changes in financing liabilities arising from cash and non cash changes

(₹ in Lakhs)

Particulars	1st April, 2022	Cash inflows / (outflows)	Non cash changes	31st March, 2023
Borrowings - non cash changes arising out of exchange rate fluctuations	12,610.23	(2,481.29)	38.58	10,167.52
Lease liabilities - non cash changes arising out of unwinding & additions of liabilities	598.21	(15.16)	74.61	657.66

Particulars	1st April, 2021	Cash inflows / (outflows)	Non cash changes	31st March, 2022
Short term borrowings (packing credit) - non cash changes arising out of exchange rate fluctuations	-	12,588.56	21.67	12,610.23
Lease liabilities - non cash changes arising out of unwinding of liabilities	148.00	(15.16)	465.37	598.21

Notes to Accounts form an integral part of standalone financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Date: 23rd May, 2023

Sandip Ghume

Deputy Chief

Financial Officer

Pradeep Bhandari

Head - Legal &

Company Secretary

For and on behalf of the Board of Directors

Dr. Prakash A. Mody

Chairman &

Managing Director

DIN.: 00001285

Dilip Kunkolienkar

Director - Technical

DIN.: 02666678

for the year ended 31st March, 2023

1. Company Overview

Unichem Laboratories Limited ("the Company") is a Public Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed and traded on the Bombay Stock Exchange and National Stock Exchange in India. The registered office of the Company is located at "Unichem Bhavan", Prabhat Estate, off S V Road, Jogeshwari (West), Mumbai 400 102.

The Company is engaged in manufacturing of pharmaceutical products.

The financial statements of the Company for the year ended 31st March, 2023 were approved and adopted by the Board of Directors of the Company in their meeting dated 23rd May, 2023.

2. Significant accounting policies

2.1. Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended for rules issued thereafter, the provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Basis of preparation and presentation

These standalone financial statements have been prepared on the historical cost convention and on accrual basis except for the following assets and liabilities which have been measured at fair value:

- i. Certain financial assets and liabilities (including derivative instruments);
- ii. Defined benefit plans – plan assets;
- iii. Equity Settled Share based payments;
- iv. Assets held for sale

The financial statements are in accordance with Division II of Schedule III to the Act, as applicable to the Company.

2.3. Current and non-current classification

All assets and liabilities are presented in the Balance Sheet based on current or non-current classification as per Company's normal operating cycle and other criteria set out in the Division II of Schedule III of the Act.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

2.4. Functional currency and presentation of currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian Rupee, which is the Company's functional and presentation currency. All amounts are rounded off to the nearest rupees in lakhs.

2.5. Use of significant accounting estimates, judgements and assumptions

The preparation of the financial statements requires the management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported balances of assets and liabilities, disclosure of contingent assets and liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below:

- i) Estimation of useful life of Property, plant and equipment (refer note no. 2.8 and 3)
- ii) Impairment of Property, plant and equipment and Capital work-in-progress (refer note no. 2.12 and 3)
- iii) Estimation of provisions and contingent liabilities (refer note no. 2.17, 28, 37 and 38)
- iv) Estimation of defined benefit plan and other long term benefits (refer note no. 2.18, 21, 28 and 46)
- v) Fair value measurement and impairment of financial instruments (refer note no. 2.28 and 54)
- vi) Recognition of "Right of use" of assets as per the requirement of Ind AS 116. (refer note no. 2.15, 4, 20, 48)

2.6. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised on satisfaction of performance obligation as per contract and upon transfer of control of products to customers.

Revenue is measured at the transaction price that is allocated to that performance obligation. Amounts disclosed as revenue are net of indirect taxes, discounts, rebates, expiry claims and sales returns.

Income from services including commission income, product development revenue and licence fees income is recognised when the services are rendered or when contracted milestones have been achieved and is recorded net of indirect taxes.

Export benefits are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest income on financial assets is recognised using the effective interest rate.

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

Rental income on investment property given under operating lease arrangement is recognised on straight line basis over the lease term in accordance with terms of agreement. Rental income is recorded net of indirect tax and expenses which are directly attributable to investment property.

Revenue includes commission recognised on guarantee / corporate guarantee given to banks on behalf of the subsidiaries of the Company.

2.7. Taxes

Income Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years that may become necessary due to certain developments or reviews during the relevant period. In respect of amounts adjusted outside the statement of profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted in other comprehensive income or in equity and not in the statement of profit and loss.

Current tax

Provision for current tax is made as per the provisions of Income Tax Act, 1961. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered..

2.8. Property, plant and equipment (Tangible Assets) and depreciation

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all property, plant and equipment are measured using cost model.

Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset.

Cost for subsequent additions comprises the purchase price and any other attributable cost of bringing the asset to its

working condition for its intended use. Subsequent expenditures are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company identifies and determines cost of each component / part of the plant and equipment separately, if the component / part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Pre-operation expenses and trial runs (net of revenue) and borrowing cost directly attributable to the cost of construction of the qualifying asset are treated as part of the project cost and are capitalized / allocated to the cost of asset in the year in which the project is completed. Administrative and other expenses which are not directly related to construction are charged to statement of profit and loss.

Gains or losses arising from de-recognition of tangible property, plant and equipment are recognised in the statement of profit and loss.

Depreciation is provided on all assets (other than free hold land and capital work-in-progress), on pro-rata basis, using following methods based on the respective estimate of useful lives as given below:

- a) Straight-Line Method on buildings, plant and machinery, computers and servers
- b) Written Down Value Method for others

The management believes that useful lives currently used is as prescribed under Part C of Schedule II to the Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Estimated useful lives of property, plant and equipment are as follows:

Nature of assets	Useful life
Factory buildings on leasehold land	Lower of 30 years or balance lease period
Buildings on freehold land	30 to 60 years
Roads	3 to 10 years
Plant and equipments [other than below]	10 to 15 years
Plant and equipments [continuous processing assets and other special equipments related to Pharma industry]	20 to 25 years
Furniture and fixture	10 years
Vehicles	8 years
Office equipment	3 to 5 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets". Cost of assets under construction / acquisition / not put to use at the Balance sheet date are disclosed under "Capital work-in-progress".

2.9. Intangible assets and amortisation

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Intangible assets comprise computer softwares / licenses [other than standalone softwares / licenses] which are fully amortised during the year of capitalisation. The estimated useful life of intangible assets is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

Other standalone softwares / licenses cost are fully charged off to statement of profit and loss in the year of expenditure. These softwares / licenses are for administrative purposes.

2.10. Investment property

Property that is held for long-term rentals yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any. Depreciation on building held as Investment Property is provided over its useful life (of 60 years) using the straight line method.

2.11. Non-Current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are

classified as held for sale.

Non-current assets and liabilities classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the statement of profit and loss.

2.12. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an asset or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

2.13. Research and development expenditure

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are also charged to the statement of profit and loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, plant and equipment and depreciation.

2.14. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognised as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transaction. Foreign currency non-monetary items which are measured at fair value are reported using the exchange rate at the date when the fair value is determined. Exchange difference arising on fair valuation of non-monetary items is recognised in line with the gain or loss of item that give rise to such exchange difference (i.e. translation differences on items whose gain or loss is recognised in statement of profit and loss or other comprehensive income is also recognised in statement of profit and loss or other comprehensive income respectively).

2.15. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right of use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment

losses, if any and adjusted for any remeasurement of the lease liability. The right of use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right of use asset unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right of use asset reflects that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

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.

2.16. Inventories

Inventories consists of raw materials, packing materials, stores and spares, stock-in-trade, work-in-progress and finished goods. Inventories of raw materials, packing material, stores and spares are valued at cost and other inventories are valued at lower of cost and net realisable value after providing for obsolete / slow moving items. Cost is determined on weighted average basis.

Cost includes cost of purchase, non-refundable taxes and other costs / overheads incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

2.17. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result 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. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

2.18. Employee benefits

i) Short-term employee benefit

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.

ii) Post-employment benefits

a. Defined contribution plan

The Company contributes fixed contribution to a government administered fund towards Provident Fund, Labour Welfare Fund, and Employee State Insurance Scheme and will have no legal or constructive obligation to pay further contribution.

Certain employees of the Company are participants in Superannuation plan. The Company has no further obligations to the Superannuation plan beyond its monthly contributions which are periodically contributed to "Unichem Laboratories Limited Employees Superannuation Fund Trust", the corpus of which is invested with the Life Insurance Corporation of India.

The Company's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. The Company fully contributes all ascertained liabilities to “Unichem Laboratories Limited Employees Gratuity Fund Trust”, the corpus of which is invested with the Life Insurance Corporation of India.

The current service cost and interest on the net defined benefit liability / (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income and are not reclassified to statement of profit and loss in subsequent periods. Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

iii) Other long-term benefits

The Company has other long-term benefits in the form of leave benefits and long-term bonus. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method carried out by independent actuary. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit and loss as income or expense. Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

2.19. Equity settled share-based payments

Equity-settled share based payments to employees are measured at the fair value (i.e. excess of fair value over the exercise price of the option) of the Employee Stock Options Plan at the grant date. The fair value of option at the grant date is calculated by Black-Scholes model. In case the options are granted to employees of the Company, the fair value determined at the grant date is expensed on a straight line basis over the vesting period, based on the Company's estimate of options that will eventually vest, with a corresponding increase in equity. In case of the options granted to employees of Company's subsidiaries, the fair value of options granted to employees of the subsidiary companies are considered as capital contribution / investment.

The dilutive effect of outstanding options is reflected in determining the diluted earnings per share.

The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to the general reserve on account of stock options not exercised by employees.

2.20. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Operating Segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

2.21. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

2.22. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with its conditions.

Government grants relating to income are recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate. In case of Exports Promotion Capital Goods (EPCG) scheme, government grants is recognised in the statement of profit and loss over the period of fulfilment of export obligation.

Government grants relating to the assets are credited in the statement of profit and loss over the expected useful life of the assets.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the fair value of the loan and the proceeds received.

2.23. Dividend distribution

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

2.24. Share Capital

Ordinary shares are classified as equity. Transaction cost related to buy-back of equity shares is reduced from the retained earnings / reserves, net of tax effect.

2.25. Earnings per equity share

The Basic earnings per equity share is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share are computed by dividing the net profit / (loss) attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, etc.

2.26. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term deposits, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

2.27. Cash flow statement

Cash Flows are reported using Indirect Method, whereby profit / (loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.28. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value except for trade receivables that are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Financial assets:

Cash and bank balances

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term highly liquid investments / mutual funds (with zero exit load at the time of investment) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Other bank balances includes balances and deposits with bank that are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order 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.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets 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.

In respect of equity investments (other than joint ventures) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such equity instruments in 'other comprehensive income'. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. However, cumulative gain or loss may be transferred within equity.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Investment in Subsidiaries and Associates

The Company has accounted for its investments in Subsidiaries and Associates at cost less accumulated impairment losses, if any in its separate financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is

written down immediately to its recoverable amount and the difference is transferred to the statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

Impairment of financial assets [other than investment in subsidiaries and associates]

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

2.29. Amendments to existing Ind AS issued but not effective as at 31st March, 2023

On 31st March, 2023, Ministry of Corporate Affairs ("MCA") amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 – Preparation of Financial Statements:

Companies should now disclose "Material Accounting Policies" rather than their "Significant Accounting Policies". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:

- a) Selection of a measurement technique (estimation or valuation technique)
- b) Selecting the inputs to be used when applying the chosen measurement technique.

Ind AS 12 – Income Tax:

Narrowed the scope of the Initial Recognition Exemption (with regard to leases and decommissioning obligations). Now such exemption does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The Company does not expect the above amendments to have any significant impact in its financial statements.

(₹ in Lakhs)

Particulars	Property, Plant & Equipment							Capital work-in-progress	Other Intangible Assets	
	Freehold land	Buildings *	Plant & equipment	Furniture & fixture	Vehicles	Office equipment	Total		Software licenses	Total other intangible assets
Gross carrying value, at cost										
As at 31st March, 2021	378.01	32,633.93	73,855.26	1,110.51	476.16	978.00	1,09,431.87	56,773.16	415.86	415.86
Additions	-	4,562.60	12,793.72	179.60	7.47	147.70	17,691.09	12,494.65	12.42	12.42
Disposal	-	0.42	377.08	11.30	-	23.26	412.06	-	-	-
Capitalisation	-	-	-	-	-	-	-	19,849.82	-	-
As at 31st March, 2022	378.01	37,196.11	86,271.90	1,278.81	483.63	1,102.44	1,26,710.90	49,417.99	428.28	428.28
Additions	-	12,296.29	24,978.71	462.59	-	251.37	37,988.96	3,914.82	7.17	7.17
Disposal	-	61.52	1,182.25	41.02	14.18	15.31	1,314.28	-	-	-
Capitalisation	-	-	-	-	-	-	-	38,550.81	-	-
As at 31st March, 2023	378.01	49,430.88	1,10,068.36	1,700.38	469.45	1,338.50	1,63,385.58	14,782.00	435.45	435.45
Accumulated Depreciation / amortisation										
As at 31st March, 2021	-	5,423.76	21,140.27	488.90	101.55	640.17	27,794.65	-	415.86	415.86
Charge for the year	-	1,363.02	6,369.23	177.64	118.58	168.36	8,196.83	-	12.42	12.42
Disposal	-	-	337.37	10.81	-	22.13	370.31	-	-	-
As at 31st March, 2022	-	6,786.78	27,172.13	655.73	220.13	786.40	35,621.17	-	428.28	428.28
Charge for the year	-	1,694.86	8,186.32	233.86	82.31	207.47	10,404.82	-	7.17	7.17
Disposal	-	22.35	1,062.53	39.09	13.48	14.66	1,152.11	-	-	-
As at 31st March, 2023	-	8,459.29	34,295.92	850.50	288.96	979.21	44,873.88	-	435.45	435.45
Net book value										
As at 31st March, 2023	378.01	40,971.59	75,772.44	849.88	180.49	359.29	1,18,511.70	14,782.00	-	-
As at 31st March, 2022	378.01	30,409.33	59,099.77	623.08	263.50	316.04	91,089.73	49,417.99	-	-

* Buildings include one Flat amounting to ₹ 97.16 lakhs (P.Y. ₹ 97.16 lakhs) where the co-operative society is yet to be formed.

Notes :

- Building includes cost of shares in co-operative societies of ₹ 0.56 lakhs (P.Y. ₹ 0.56 lakhs)
- Capital work-in-progress includes ₹ 4,646.37 lakhs (P.Y. ₹ 10,683.47 lakhs) on account of cost of construction.
- The amount of capital commitment disclosed in note 39(a).
- Certain property, plant and equipment are hypothecated / mortgaged as security for borrowing as disclosed under note 40.
- Addition to property, plant and equipment and CWIP includes ₹ 1,025.07 lakhs (P.Y. ₹ 621.61 lakhs) being expenditure on Research and Development as under:

(₹ in Lakhs)

Assets Description	2022-2023	2021-2022
Plant & Machinery	288.70	120.22
Furniture & Fixtures	3.11	-
Office Equipment	-	3.52
Capital work-in-progress	733.26	497.87
Total	1,025.07	621.61

- Ageing of Capital work-in-progress:
CWIP ageing schedule as at 31st March, 2023

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	998.19	944.67	8,394.05	4,445.09	14,782.00
Projects temporarily suspended	-	-	-	-	-

Closing CWIP as at 31st March, 2023, mainly includes new manufacturing facility at Pithampur which is expected to capitalize in next year. Due to Covid 19 pandemic, the completion timelines of the projects were extended.

CWIP ageing schedule as at 31st March, 2022

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11,232.70	23,701.63	13,827.27	656.39	49,417.99
Projects temporarily suspended	-	-	-	-	-

Closing CWIP as at 31st March, 2022, mainly includes new manufacturing facility at Goa which is capitalized in current year. Due to covid 19-pandemic, the completion timelines of the projects were extended.

- Depreciation charged to P&L account:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Property, Plant and Equipments	10,411.99	8,209.25
Right of use assets	185.93	109.51
Total	10,597.92	8,318.76

8. Borrowing cost :

- In accordance with Ind AS 23, the borrowing cost of ₹ 112.48 Lakhs (P.Y. ₹ 294.88 Lakhs) is capitalised to property, plant and equipment (mainly building, plant & machinery).
- The rate used to determine the amount of borrowing costs eligible for capitalisation is 6.75% to 7.15% (P.Y. 6.75%).

Following are the changes in the carrying value of right of use assets (Leasehold land) :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Opening Balance	5,221.93	2,985.65
Additions	46.58	2,390.25
Deletions	-	-
Depreciation	(185.93)	(109.51)
Depreciation charged to CWIP	-	(44.46)
Closing Balance	5,082.58	5,221.93

The Company holds leasehold land against which there is an annual payment over the lease period which is in range of 24-75 years and is non-cancellable. The terms and conditions includes extension of the lease period subject to fulfilment of the conditions as per lease agreements (refer note 48).

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Gross carrying amount		
Opening gross carrying amount	-	398.81
Additions	-	-
Less: Transfer to assets held for sale (refer note 5.2)	-	(398.81)
Closing gross carrying amount	-	-
Accumulated depreciation		
Opening accumulated depreciation	-	45.53
Depreciation charge (netted off from rent income)	-	6.31
Less: Transfer to assets held for sale (refer note 5.2)	-	(51.84)
Closing accumulated depreciation	-	-
Net carrying amount	-	-

5.1 Amounts recognised in statement of profit and loss for investment property: (₹ in Lakhs)

Particulars	2022-2023	2021-2022
Rental Income	-	30.74
Less: Depreciation	-	6.31
Net income from investment property	-	24.43

5.2 In the previous year, operating lease period was discontinued and the Investment Property was classified as held for sale. It is valued at the lower of its carrying amount and fair value less cost to sell. These assets are expected to be disposed off in the next 12 months. The fair value of the property is not readily available however, based on the management and market assessment, the fair value would be higher than carrying value of the assets. During the year ended 31st March, 2023, the carrying value of 'asset held for sale' is written down and loss of ₹ 6.31 lakhs (P.Y. Nil) is charged off to statement of profit and loss.

Particulars	No. of Shares		Face value	₹ in lakhs	
	As at 31st March, 2023	As at 31st March, 2022		As at 31st March, 2023	As at 31st March, 2022
(i) At Cost :					
UNQUOTED					
Equity Instruments of subsidiaries (fully paid)					
Unichem Farmaceutica Do Brasil Ltda	3,01,33,683	3,01,33,683	1 Brasil Real	7,086.72	7,086.72
Less: Impairment in value of investments (refer note 42.1)				(7,086.72)	(7,086.72)
Subtotal				-	-
Niche Generics Limited, UK	56,25,000	56,25,000	1 Pound	6,909.36	6,909.36
Less: Impairment in value of investments (refer note 38)				(6,909.36)	-
Subtotal				-	6,909.36
Unichem SA Pty Limited	19,000	19,000	10 SA Rand	12.14	12.14
Unichem Pharmaceuticals USA Inc.	64,76,955	64,76,955	1 US\$	3,232.05	3,200.25
Unichem Laboratories Limited, Ireland	27,60,000	27,60,000	1 Euro	2,104.84	2,104.84
Less: Impairment in value of investments (refer note 42.2)				(2,104.84)	-
Subtotal				-	2,104.84
Unichem (China) Pvt. Ltd.	-	-	-	637.50	366.63
Subtotal				3,881.69	12,593.22
Equity Instruments of Associate (fully paid)					
Synchron Research Services Private Limited	2,08,333	2,08,333	₹ 10	569.31	569.31
Less: Impairment in value of investments (refer note 6.1)				(569.31)	(569.31)
Subtotal				-	-
Total of Investments measured at cost				3,881.69	12,593.22
(ii) At fair value through profit and loss (FVTPL)					
UNQUOTED					
Equity Instruments (fully paid)					
Shivalik Solid Waste Management Limited	20,000	20,000	₹ 10	2.00	2.00
Sub Total				2.00	2.00
QUOTED					
Equity Instruments (fully paid)					
Jindal Polyfilm Limited	2,000	2,000	₹ 10	10.02	22.23
Jindal Poly Investment and Finance Company Ltd.	500	500	₹ 10	2.21	1.44
Aurobindo Pharma Ltd.	8	8	₹ 1	0.04	0.05
Universus Photo Imagings Ltd.	500	500	₹ 10	1.82	2.75
Kothari Industrial Corporation Ltd.	20	20	₹ 5	-	-
Sub Total				14.09	26.47
Total of Investments measured at FVTPL				16.09	28.47
Total				3,897.78	12,621.69
Aggregate carrying value of unquoted investments				3,883.69	12,595.22
Aggregate amount of impairment in value of investments				(16,670.23)	(7,656.03)
Aggregate carrying value of quoted investments				14.09	26.47
Aggregate market value of quoted investments				14.09	26.47

6.1 During the year ended 31st March, 2022, impairment loss on financial assets was provided of ₹ 569.31 lakhs towards impairment of equity investment in 'Synchron Research Services Private Limited' (associate company). The carrying value of the investment as on balance sheet date is Nil (P.Y. Nil).

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Loans to Employees	12.76	11.60
Total	12.76	11.60

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Inter-Corporate Deposits (refer note 8.1) [Net of provision for Impairment loss of ₹ 1000 Lakhs, (P.Y. ₹ 700 Lakhs)]	-	300.00
Deposits		
Considered Good	631.57	513.06
Considered Doubtful	53.53	53.53
Less :Allowance for Doubtful deposits	(53.53)	(53.53)
	631.57	513.06
Total	531.57	813.06

8.1 Considering the uncertainty prevailing on IL&FS group, in case of inter-corporate deposits with IL&FS provision for impairment loss is made to the extent of 100% (upto 70% in previous year) of the principal amount and interest accrued thereon. Refer note 34 & 15.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital advances [Net of provision for Doubtful advances, ₹ 42.18 Lakhs, (P.Y. ₹ 11.86 Lakhs)]	668.78	2,042.23
Balance with government authorities (including refund receivable)	14,777.52	12,971.55
Advance income tax (net of provision)	631.71	622.54
Total	16,078.01	15,636.32

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials [Include ₹ 2346.06 Lakhs in transit, (P.Y. ₹ 727.47 Lakhs)]	27,253.84	23,704.80
Packing Materials [Include ₹ 165.64 Lakhs in transit, (P.Y. ₹ 1.65 Lakhs)]	2,679.00	2,211.49
Work-in-Progress	8,138.07	10,214.94
Finished Goods [Include ₹ 245.78 Lakhs in transit, (P.Y. ₹ 84.82 Lakhs)]	8,561.21	8,685.66
Stores and Spares	1,386.81	1,252.48
Total	48,018.93	46,069.37

10.1 During the year ended 31st March, 2023, ₹ 911.71 lakhs (P.Y. ₹ 150.41 lakhs) was recognised as an expense for inventories carried at net realisable value.

10.2 Refer note 2.16 for accounting policy for inventory valuation.

(₹ in Lakhs)

Particulars	No. of Units		Amount	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
At fair value through profit and loss (FVTPL)				
QUOTED				
INVESTMENT IN MUTUAL FUNDS				
SBI Liquid Fund Direct Growth *	3,542	1,12,892	124.79	3,762.79
Subtotal			124.79	3,762.79
UNQUOTED				
Equity Instruments (fully paid)				
Optimus Drugs Private Limited (refer note 11.2)	4,918	-	28.77	-
Subtotal			28.77	-
Total of Investments measured at FVTPL			153.56	3,762.79
At fair value through Other Comprehensive Income (FVTOCI)				
UNQUOTED				
Equity Instruments (fully paid)				
Optimus Drugs Private Limited (refer note 11.1)	-	39,02,457	-	22,595.23
Total of Investments measured at FVTOCI			-	22,595.23
Total			153.56	26,358.02
Aggregate carrying value of unquoted investments			28.77	22,595.23
Aggregate amount of impairment in value of investments			-	-
Aggregate carrying value of quoted investments			124.79	3,762.79
Aggregate market value of quoted investments			124.79	3,762.79

* Investments in mutual funds are pledged with Citibank N.A. Refer note 40.

- 11.1 During the year ended 31st March, 2023, the Company has sold specified number of shares held in Optimus Drugs Private Limited ('Investee' or 'Optimus') to Sekhmet Pharmaventures Private Limited ('Purchaser') in terms of Share Purchase Agreement ('SPA') dated 10th May, 2022. Further, the number of shares sold included additional equity shares issued to Company pursuant to conversion of bonus Compulsory Convertible Preference Shares which were allotted to the Company during the year and net gain / (loss) on disposal of investments is Rs. 1,084.58 lakhs (P.Y. Nil) out of which Rs. (502.24) lakhs (P.Y. Nil) is grouped under exceptional item (refer note 35.2) and balance amount of Rs. 1,586.82 lakhs (P.Y. Nil) is grouped under other comprehensive income (refer note 36.1).
- 11.2 The balance number of unsold equity shares with carrying value of Rs. 28.77 lakhs (P.Y. Nil) as at the balance sheet date are classified as Fair Value through Profit and Loss. This is based on the fair valuation report obtained during the year. Considering audited accounts of Optimus are not received, fair value could not be determined as at balance sheet date and impact of change in fair value of such investments will be considered in the subsequent period when the audited financial statements of the Investee are made available to the Company. The balance number of unsold equity shares will be sold for a price to be determined based on the fulfillment of performance criteria of the Investee as per the SPA.

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Considered good - Secured	-	-
Unsecured		
Considered good	47,207.61	38,084.29
Considered Doubtful	295.19	319.83
Less: Allowance for Doubtful debts	(295.19)	(319.83)
Total	47,207.61	38,084.29

12.1 Unsecured trade receivables includes ₹ 37343.94 Lakhs (P.Y. ₹ 27,322.28 Lakhs) receivables from subsidiaries.

12.2 The movement in allowance for doubtful receivables is as follows:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Opening balance	319.83	492.16
Add: Allowance for doubtful receivables made during the year	-	-
Less: Allowance for doubtful receivables reversed / utilised during the year	(24.64)	(172.33)
Closing balance	295.19	319.83

12.3 Trade receivables ageing schedule - Current :

As at 31st March, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	37,524.45	7,058.51	2,144.65	594.49	49.71	4.88	47,376.69
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	41.60	0.79	17.74	60.13
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	65.98	65.98
Sub total	37,524.45	7,058.51	2,144.65	636.09	50.50	88.60	47,502.80
Less: Allowance for Doubtful debts							(295.19)
Total							47,207.61

As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	32,518.60	2,849.00	2,732.40	155.49	2.56	80.09	38,338.14
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	65.98	65.98
Sub total	32,518.60	2,849.00	2,732.40	155.49	2.56	146.07	38,404.12
Less: Allowance for Doubtful debts							(319.83)
Total							38,084.29

(₹ in Lakhs)

Particulars	No. of Units		Amount	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
(a) Cash & cash equivalents				
(i) Balances with banks in Current Accounts			693.26	1,283.85
(ii) Cash on hand			5.01	8.11
(iii) Investments in Mutual Fund (At FVTPL)				
Quoted				
ICICI Prudential Liquid Fund - Growth	23,45,379.39	-	7,755.10	-
HDFC Liquid fund - Direct Plan - Growth Option	98,377.14	-	4,351.42	-
ICICI Prudential Liquid fund - Direct Plan - Growth	-	12,86,930.93	-	4,057.13
SBI Liquid Fund Direct Growth	41,164.24	-	1,450.34	-
Aditya Birla Liquid - Direct Plan - Growth	3,61,269.24	11,84,291.09	1,311.71	4,063.60
			15,566.84	9,412.69
(b) Other bank balances (Restricted bank balances)				
In Unpaid Dividend Account			149.90	159.12
In Fixed Deposits (against Bank Guarantee) having Original maturity more than 3 months			11.19	331.47
			161.09	490.59
Total			15,727.93	9,903.28
Aggregate carrying value of quoted investments			14,868.57	8,120.73
Aggregate market value of quoted investments			14,868.57	8,120.73

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Loans to Employees	5.62	5.23
Total	5.62	5.23

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Insurance claim receivables	89.01	-
Accrued Interest on bonds and fixed deposits	12.42	55.07
[Net of provision for Impairment loss, ₹ 139.08 Lakhs, (P.Y. ₹ 97.35 Lakhs)]		
Others (Forward contract receivable)	69.26	-
Total	170.69	55.07

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Prepaid Expenses	1,804.99	1,644.20
Balances with Revenue Authorities (including refund receivables)		
Considered good	15,036.49	12,885.18
Considered Doubtful	26.01	69.56
Less: Allowance for Doubtful Advances	(26.01)	(69.56)
Advance against materials & expenses	288.52	744.51
Export incentive receivable	617.44	1,187.12
Other receivables / advances		
Considered good	244.63	112.84
Considered Doubtful	149.03	129.00
Less: Allowance for Doubtful Advances	(149.03)	(129.00)
Total	17,992.07	16,573.85

16.1 The movement in allowance for doubtful advances (including allowance made against non-current items) is given below: (₹ in Lakhs)

Particulars	2022-2023	2021-2022
Opening balance (refer note 8, 9, 15 and 16)	991.74	697.97
Add: Allowance for doubtful advances made during the year	392.08	293.77
Less: Reversal / utilisation during the year	-	-
Closing balance	1,383.82	991.74

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
AUTHORISED		
17,50,00,000 Equity Shares of ₹ 2/- each (P.Y. 17,50,00,000 Equity shares of ₹ 2/- each)	3,500.00	3,500.00
5,00,00,000 Unclassified Shares of ₹ 2/- each (P.Y. 5,00,00,000 Unclassified Shares of ₹ 2/- each)	1,000.00	1,000.00
50,00,000 Preference Shares of ₹ 10/- each (P.Y. 50,00,000 Preference Shares of ₹ 10/- each)	500.00	500.00
Total	5,000.00	5,000.00

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
ISSUED, SUBSCRIBED AND FULLY PAID UP		
7,04,05,750 Equity Shares of ₹ 2/- each fully paid up (P.Y. 7,04,05,750 Equity Shares of ₹ 2/- each fully paid up)	1,408.12	1,408.12
Total	1,408.12	1,408.12

17.1 Reconciliation of Number of Shares (Equity)	2022-2023		2021-2022	
	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)
Shares outstanding as at the beginning of the year	7,04,05,750	1,408.12	7,04,05,750	1,408.12
Add / (Less): Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	7,04,05,750	1,408.12	7,04,05,750	1,408.12
Add / (Less): Movements during the year	-	-	-	-
Shares outstanding as at the end of the year	7,04,05,750	1,408.12	7,04,05,750	1,408.12

17.2 Rights, preferences and restrictions attached to Equity Shares

The Company has one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

17.3 Shareholders holding more than 5 per cent of total Equity Shares of the Company

Name of the Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody	3,24,99,392	46.16	3,24,99,392	46.16
HDFC Small Cap Fund	47,12,911	6.69	51,03,389	7.25

17.4 As per the records of the Company, including its register of shareholders / members & other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

17.5 Shareholding of Promoters:

S No.	Promoter's Name	No. of Shares	% of total shares	No. of Shares	% of total shares
		as on 31st March, 2023	as on 31st March, 2023	as on 31st March, 2022	as on 31st March, 2022
1.	Prakash Amrut Mody	3,24,99,392	46.16%	3,24,99,392	46.16%
2.	Anita Prakash Mody	13,23,400	1.88%	13,23,400	1.88%
3.	Suparna Prakash Mody	9,49,936	1.35%	9,49,936	1.35%
4.	Supriya Prakash Mody	9,49,936	1.35%	9,49,936	1.35%
5.	Prakash Amrut Mody - Suparna Mody Trust (Promoter Trust)	52,016	0.07%	52,016	0.07%
6.	Prakash Amrut Mody - Supriya Mody Trust (Promoter Trust)	45,052	0.06%	45,052	0.06%
7.	Prakash Amrut Mody - Shwetambari Mody Trust (Promoter Trust)	41,283	0.06%	41,283	0.06%
	Total	3,58,61,015	50.93%	3,58,61,015	50.93%

Also refer note 19.2.

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
CAPITAL REDEMPTION RESERVE		
Balance at the beginning of the year	412.00	412.00
Add: Additions / (deductions) during the year	-	-
Balance at the end of the year	412.00	412.00
SECURITIES PREMIUM		
Balance at the beginning of the year	133.02	133.02
Add: Additions / (deductions) during the year	-	-
Balance at the end of the year	133.02	133.02
EMPLOYEE STOCK OPTIONS OUTSTANDING ACCOUNT		
Balance at the beginning of the year	1,204.53	1,204.53
Add: Additions during the year	-	-
Less: Deduction during the year	-	-
	1,204.53	1,204.53
Less: Deferred Employee's stock compensation	-	(136.72)
Balance at the end of the year (refer note 18.2)	1,204.53	1,067.81
OTHER COMPREHENSIVE INCOME		
Remeasurements of defined benefit plans		
Balance at the beginning of the year	(886.72)	(538.23)
Add / (Less): Movements during the year	224.63	(348.49)
Balance at the end of the year	(662.09)	(886.72)
EQUITY INSTRUMENT THROUGH OCI		
Balance at the beginning of the year	8,533.38	2,647.69
Add / (Less): Movements during the year	3,648.04	5,885.69
Less: Transferred to Retained Earnings (refer note 18.3)	(12,181.42)	-
Balance at the end of the year	-	8,533.38
RETAINED EARNINGS		
Balance at the beginning of the year	2,56,536.48	2,64,895.67
Add: Profit / (Loss) for the year	(29,970.19)	(5,542.96)
Add: Transferred from Other Comprehensive Income (refer note 18.3)	12,181.42	-
Less: Final Dividend paid	2,816.23	2,816.23
Balance at the end of the year	2,35,931.48	2,56,536.48
Total Reserves & Surplus	2,37,018.94	2,65,795.97

18.1 During the year ended 31st March, 2018, the Company had concluded the buyback of 20,600,000 equity shares aggregating 22.65% of the paid-up equity share capital of the Company at a price of ₹ 430 per equity share. The Company had funded the buyback from its securities premium account, general reserve and retained earnings. Further, capital redemption reserve of ₹ 412.00 lakhs representing the nominal value of the shares bought back had been created as an appropriation from retained earnings. Transaction costs related to buyback were adjusted against retained earnings (net of tax).

18.2 Subsequent to the year ended 31st March, 2023, outstanding ESOPs have been surrendered by the employees to the Company. Accordingly, balance in ESOP reserve will be transferred to retained earnings on the date of surrender.

18.3 It represents realised gain on disposal of investments in equity shares of Optimus Drugs Private Limited (also refer note 11.1) which were classified under "Fair Value through Other Comprehensive Income".

18.4 During the year, the Company has paid final dividend of ₹ 4 per equity share declared for the year ended 31st March, 2022 post approval of the shareholders at the AGM held on 9th August, 2022.

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
SECURED		
Term loan from Bank	6,364.90	8,901.06
Total	6,364.90	8,901.06

19.1 The Company had availed a term loan facility from bank at a floating rate linked to repo rate which is repayable in 20 quarterly installments over the tenure of 5 years commencing from December 2021. Refer note 40 for securities pledged against the loan.

19.2 Subsequent to year ended 31st March, 2023, IPCA Laboratories Limited has entered into a Share Purchase Agreement with the promoter of the Company for acquisition of 33.38% shares of the paid-up capital of the Company. Further, the Company is in the process of obtaining approval from the banks for the proposed change in shareholding of promoters.

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Current lease liabilities	2.00	2.00
Non-current lease liabilities	655.66	596.21
Total	657.66	598.21

Refer note 48

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Provision for employee benefits (refer note 46)		
Defined benefit plan-Gratuity	1,350.65	1,288.14
Leave benefits	2,786.20	2,527.99
Long-term bonus	53.84	180.04
Total	4,190.69	3,996.17

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Deferred Tax Liability (Net)	-	-
Total	-	-

22.1 Deferred tax asset is recognised on the amount of tax loss, unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability. Further, there are unabsorbed tax depreciation amounting to ₹ 27,552.99 Lakhs (P.Y. ₹ 8,585.25 Lakhs) for which deferred tax asset is not recognised.

22.2 Income tax expense / (benefit) recognized in standalone statement of profit and loss:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Current tax:		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	23.70
Total Current tax expense	-	23.70
Deferred Tax:		
Decrease / (increase) in Deferred Tax Assets	1,753.66	(2,659.77)
(Decrease) / Increase in Deferred Tax Liabilities	307.57	(495.74)
Total Deferred tax expense / (credit)	2,061.23	(3,155.51)
Aggregate income tax expense	2,061.23	(3,131.81)

22.3 Income tax expense recognised in other comprehensive income and other equity:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Deferred tax liability on fair value gain on equity instruments (net)	(2,061.22)	1,760.71
Deferred tax asset on net loss / (gain) on Remeasurements of Defined Benefit Plans	-	24.58
Income Tax Expense / (Income) Charged to OCI	(2,061.22)	1,785.29

22.4 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Profit / (loss) before income taxes	(27,908.97)	(8,674.77)
At India's Statutory Income Tax Rate of 25.168% (P.Y. 25.168%)	(7,024.13)	(2,183.27)
Adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of expenses not deductible in determining taxable profit	(71.71)	(60.20)
Tax rate difference	-	-
Deferred tax asset recognised on remaining amount of b/f tax loss	-	(890.43)
Deferred tax asset not recognised on remaining amount of losses	9,157.06	-
Deferred tax regrouped on remeasurements of defined benefit plans	-	24.58
Others (net)	-	-
Adjusted income tax expense / (credit)	2,061.22	(3,109.32)
Tax charge / (credit) impact given in Other Comprehensive Income	(2,061.22)	1,785.29
Total Tax	-	(1,324.03)
Effective Income Tax Rate	0.00%	15.26%

22.5 Reflected in the Balance Sheet as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities		
Depreciation and amortisation	7,017.57	6,837.33
Fair value gain on mutual funds (net)	127.33	-
Fair value gain on equity instruments (net)	-	2,061.22
	7,144.90	8,898.55
Deferred Tax Assets		
Allowance for doubtful trade receivables	74.29	80.49
Allowance for doubtful advances	37.51	32.47
Allowance for impairment in value of investments	1,474.04	1,474.04
Allowance for impairment in value of other financial assets	251.68	200.68
Provision for employee benefits	1,283.08	1,197.81
Allowance for impairment in value of investments in Associate	118.42	118.42
Business loss / unabsorbed depreciation	3,803.85	5,761.16
Others	102.03	33.48
	7,144.90	8,898.55
Deferred Tax Liabilities (net)	-	-

22.6 Movement of deferred tax during the year 2022-2023:

(₹ in Lakhs)

Particulars	Opening balance 1st April, 2022	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March, 2023
Deferred tax liabilities in relation to				
Depreciation and amortisation	6,837.33	180.24	-	7,017.57
Fair value gain on mutual funds (net)	-	127.33	-	127.33
Fair value gain on equity instruments (net)	2,061.22	-	(2,061.22)	-
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(80.49)	6.20	-	(74.29)
Allowance for doubtful advances	(32.47)	(5.04)	-	(37.51)
Allowance for impairment in value of investments	(1,474.04)	-	-	(1,474.04)
Allowance for impairment in value of other financial assets	(200.68)	(51.00)	-	(251.68)
Provision for employee benefits	(1,197.81)	(85.28)	-	(1,283.08)
Allowance for impairment in value of investments in Associate	(118.42)	-	-	(118.42)
Business loss / unabsorbed depreciation	(5,761.16)	1,957.31	-	(3,803.85)
Others	(33.48)	(68.54)	-	(102.03)
Deferred Tax Liabilities (net)	-	2,061.22	(2,061.22)	-

Movement of deferred tax during the year 2021-2022:

(₹ in Lakhs)

Particulars	Opening balance 1st April, 2021	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March, 2022
Deferred tax liabilities in relation to				
Depreciation and amortisation	7,333.06	(495.73)	-	6,837.33
Fair value gain on equity instruments (net)	300.51	-	1,760.71	2,061.22
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(123.87)	43.38	-	(80.49)
Allowance for doubtful advances	(14.81)	(17.66)	-	(32.47)
Allowance for impairment in value of investments	(1,474.04)	-	-	(1,474.04)
Allowance for impairment in value of other financial assets	(141.09)	(59.59)	-	(200.68)
Provision for employee benefits	(885.88)	(336.52)	24.58	(1,197.81)
Allowance for impairment in value of investments in Associate	-	(118.42)	-	(118.42)
Business loss / unabsorbed depreciation	(3,618.49)	(2,142.67)	-	(5,761.16)
Others	(5.17)	(28.30)	-	(33.48)
Deferred Tax Liabilities (net)	1,370.22	(3,155.51)	1,785.29	-

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Others (Customer Advances)	109.50	469.21
Total	109.50	469.21

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Secured From Banks		
Packing credit (refer note 40)	1,236.30	1,142.85
Loan from Bank (current maturity of long-term borrowings) (refer note 19)	2,566.32	2,566.32
Total	3,802.62	3,709.17

24.1 There were no differences in details of stock and debtors statement submitted by the Company to the bank for each quarter in comparison to books of account .

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 25.1)	551.31	884.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	23,895.97	14,822.96
Total	24,447.28	15,707.94

25.1

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
	Principal amount remaining unpaid to any suppliers as at 31st March	503.94
Interest due thereon remaining unpaid to any suppliers as at 31st March	47.37	42.47
	551.31	884.98
The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006	-	-
The amount of the payment made to the supplier beyond the appointed day during each accounting year in terms of section 16 of the MSMED Act, 2006	759.89	658.31
The amount of interest due and payable for the period of delay in making payments	4.90	4.97
The amount of interest accrued and remaining unpaid as at 31st March	47.37	42.47
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The information has been given in respect of such suppliers to the extent they could be identified as micro and small enterprises on the basis of information received and available with the Company. Auditors have relied on the same.

25.2 Trade Payables ageing schedule:

As at 31st March, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	47.37	473.26	30.69	-	-	-	551.32
(ii) Others	2,025.98	18,693.64	3,099.16	33.38	23.14	20.66	23,895.96
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	2,073.35	19,166.90	3,129.85	33.38	23.14	20.66	24,447.28

As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	42.47	571.94	264.95	5.48	-	0.14	884.98
(ii) Others	1,888.08	8,553.13	4,174.13	118.36	46.94	42.32	14,822.96
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	1,930.55	9,125.07	4,439.08	123.84	46.94	42.46	15,707.94

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Unclaimed Dividend	149.90	159.12
Deposits from Customers	21.64	21.64
Payable for employee benefits	3,386.99	1,824.14
Payable for Capital Goods	989.92	3,209.39
Others (Forward contract payable)	-	30.89
Total	4,548.45	5,245.18

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Other Payables		
Statutory Dues (refer note 27.2)	2,310.03	2,017.29
Revenue received in advance (refer note 27.1)	2,452.70	2,694.86
Others (customer advances, etc.)	102.27	55.93
Total	4,865.00	4,768.08

27.1 It represents amount of grants (in the nature of export benefits) relating to property, plant and equipment imported under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Also refer note 39(b).

27.2 It includes accumulated liability towards provident fund of ₹ 10.87 lakhs which will be paid off on linking of aadhar number of certain employees with the provident fund portal.

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Provision for employee benefits (refer note 46)		
Defined benefit plan	443.02	439.57
Leave benefits	518.21	503.57
Long-term bonus	190.22	610.83
Others Provisions		
Claims (refer note 28.1)	49.30	55.31
Total	1,200.75	1,609.28

28.1 The Company has made provisions for certain claims where cash outflow is expected within 12 months from balance sheet date. The Company does not expect any reimbursement in regards to the provision made.

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Opening Balance	55.31	72.17
Add: provisions made	-	-
Less: utilisations	6.01	16.86
Closing balance	49.30	55.31

(₹ in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2023	31st March, 2022
Sale of products	1,03,050.91	91,918.46
<u>Other operating revenues</u>		
Export benefits	1,757.39	997.49
Other operating revenues (Raw material / solvent / scrap sale, R&D revenue, etc.) (refer note 29.2)	2,434.92	1,376.71
	4,192.31	2,374.20
Total Revenue from Operations	1,07,243.22	94,292.66

29.1 Disclosure for disaggregation of revenue :

(₹ in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2023	31st March, 2022
Formulations	88,231.36	76,382.61
Bulk Drugs and chemicals	14,819.55	15,535.85
Total	1,03,050.91	91,918.46

29.2 Other operating revenues includes ₹ Nil (P.Y. ₹ 411.27 Lakhs) received upon settlement with the party towards reimbursement of legal expenses incurred by the Company in earlier period.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest income (refer note 30.1)	23.99	627.28
Dividend income on investments measured at Fair Value through Profit and Loss	0.59	0.37
Dividend income on investments measured at Fair Value through OCI	-	1,000.98
Net gain on investments measured at Fair Value through Profit and Loss	904.94	312.19
Profit on sale of property, plant and equipment (net)	128.26	-
Other non-operating income [guarantee commission, notice pay, lease rent, etc. (net)]	54.66	86.54
Net gain / (loss) on foreign currency translation and transactions	3,072.31	2,179.43
Total	4,184.75	4,206.79

30.1 Details of interest income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Income on financial assets measured at amortised cost/others	23.99	41.42
Interest Income on investments measured at Fair value through Profit and loss	-	585.86

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw Materials	43,186.01	37,599.92
Packing Materials	6,847.49	5,892.11
Total	50,033.50	43,492.03

CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN- PROGRESS

(₹ in Lakhs)

Inventories at the Commencement		
Finished Goods	8,685.66	5,875.33
Work-in-progress	10,214.94	7,746.22
	18,900.60	13,621.55
Inventories at year end		
Finished Goods	8,561.21	8,685.66
Work-in-progress	8,138.07	10,214.94
	16,699.28	18,900.60
(Increase) / Decrease in finished goods	124.45	(2,810.33)
(Increase) / Decrease in work-in-progress	2,076.87	(2,468.72)
Total change in inventory	2,201.32	(5,279.05)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and wages	24,238.18	22,373.72
Contribution to Provident and other funds	1,945.84	1,710.79
Share-based payments to employees	104.93	224.56
Staff welfare expenses	797.52	770.20
Total	27,086.47	25,079.27

32.1 Aggregate employee benefits expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Employee benefits expense as per note 32	27,086.47	25,079.27
Employee benefits expense (one-time discretionary loyalty bonus) as per note 35.2	1,750.00	-
Total	28,836.47	25,079.27

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest cost on financial liabilities measured at amortised cost	762.45	33.22
Interest on lease	53.84	50.65
Interest others	15.69	15.38
Other borrowing costs (bank charges / fees, etc.)	106.04	108.17
Total	938.02	207.42

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Impairment of other financial assets		
Inter-corporate deposits and interest thereon (refer note 8.1)	341.72	236.76
Investments in equity instruments of associate (refer note 6.1)	-	569.31
Total	341.72	806.07

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Consumption of Stores and Spares	1,829.95	2,360.00
Power and Fuel	10,141.30	7,711.83
Rent	39.22	39.25
Insurance	706.35	648.79
Repairs:		
Plant and Machinery	1,471.21	1,495.60
Buildings	366.88	397.90
Others	3,392.97	3,095.51
Rates and Taxes	577.95	351.69
Advertising and sales promotion	48.07	28.12
Travelling and Conveyance	344.70	194.40
Freight outward (net)	5,413.46	5,070.71
Directors' sitting fees	48.50	47.00
Commission on sales	226.22	246.20
Legal & Professional Expenses	779.22	1,123.43
Contribution towards Corporate Social Responsibility (refer note 44)	28.00	63.22
Establishment and Administrative Expenses (refer note 35.1)	11,304.90	11,515.83
Loss on discard / sale of property, plant and equipment (net)	-	25.34
Total	36,718.90	34,414.82

35.1 Establishment and Administrative Expenses includes following major expenses :

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Research and development expenditure (mainly material cost)	2,639.39	3,375.64
Bio equivalence studies	648.22	608.79
Lab related expenses (glass apparatus, chemicals, accessories, etc.)	1,711.33	1,684.93
Regulatory fees	2,003.04	1,740.57

35.2 Exceptional Items - expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Impairment of investment in subsidiary "Niche Generic Limited, United Kingdom" (refer note 38)	6,909.36	-
Impairment of investment in subsidiary "Unichem Laboratories Limited, Ireland" (refer note 42.2)	2,104.84	-
Net (Gain) / Loss on disposal of investment (refer note 35.2.1)	502.24	-
Employee benefits expense (one-time discretionary loyalty bonus)	1,750.00	-
Total	11,266.44	-

35.2.1 Net loss of ₹ 502.24 Lakhs (P.Y. Nil) on disposal of investment in Optimus Drugs Private Limited ("Optimus") of 7,29,849 equity shares out of additional equity shares issued to the Company during the year ended 31st March, 2023 by Optimus pursuant to conversion of bonus Compulsory Convertible Preference Shares. The gain / loss is determined after reducing from sale proceeds fair value of bonus equity shares and related transaction cost incurred on such sale. Also refer note 11.1.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A (i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	224.63	(323.91)
Equity instruments through other comprehensive income (refer note 36.1)	1,586.82	7,646.40
(ii) Income tax relating to items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	-	(24.58)
Equity instruments through other comprehensive income (net)	2,061.22	(1,760.71)
Total Comprehensive Income	3,872.67	5,537.20

36.1 The net gain of ₹ 1,586.82 Lakhs (P.Y. Nil) (before related taxes thereon) on disposal of equity shares of Optimus which was accounted under 'Fair Value through Other Comprehensive Income' category. Also refer note 11.1 & 11.2.

A. Matters considered as contingent liability

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
(i) Claims not acknowledged as debts *	1,847.64	1,940.33
(ii) Fine imposed by European Commission (refer note 38)	12,523.87	11,818.62
(iii) In respect of the Guarantees given to bank on behalf of subsidiaries (to the extent of facility availed by the subsidiaries) (also refer note 40)	2,691.38	2,539.82
(iv) Other money for which the Company is contingently liable	-	71.89
(v) Other bank guarantees	691.52	708.52
Total	17,754.41	17,079.18

* includes ₹ 85.32 Lakhs (P.Y. ₹ 89.25 Lakhs) sales tax refund amount kept on hold, amount paid under protest / deposit made pending adjudication under Finance Act, 1994, Central Excise Act, 1944 and respective State VAT Acts.

Future cash outflow, if any, will be based on the outcome of the appeals / writ petition in case of disputed (a) statutory dues (b) claims from regulatory authorities and (c) European Commission matter (as elaborated in note 38 below). The Company does not expect any cash outflow in other matters mentioned above.

B Other liabilities which are remote in nature

- (i) Claims made by parties and ex-employees whose services have been terminated in earlier years are not acknowledged as debts. The matters are frivolous and are disputed under various forums. However, in the opinion of the management, these claims are not tenable.
- (ii) The Company is involved in certain intellectual property claims / legal proceedings filed against it by the innovators which are considered to be normal to its business. These proceedings are pending before different authorities / courts. The outcome from these claims are uncertain due to a number of factors involved in legal trial. Often, these issues are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss is difficult to ascertain. Although there can be no assurance regarding the outcome of any of the intellectual property claims / legal proceedings referred to in this note, the Company does not expect such liabilities to be significant.
- (iii) The Company has filed rectification letters in respect of certain income tax refunds which have been withheld by the department. The Company is of the view that once the rectification letters are processed by the department, the refunds will be received by the Company.

In respect of matters stated in B (i) to (iii), the possibility of any liability devolving on the Company is remote and hence, no disclosure as contingent liability is considered necessary.

38 On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Limited ("Niche") contending that they had acted in breach of EU competition law as Niche had, in early 2005 (when the Company was only a part owner and financial investor in Niche) agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company and Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited.

In this regard, the statutory auditor of Niche had given qualified audit opinion on the financial statements of Niche for the year ended 31st March, 2022 and continued the qualification in audit report for the year ended 31st March, 2023. They have stated that, "previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, however, following the hearing in October 2021 and their review of the available documentation, their opinion is that it is more likely than not that Niche will be liable for the fine of Euro 13.96 million (equivalent to ₹ 12,523.87 Lakhs (P.Y. ₹ 11,818.62 Lakhs)) and hence, they believe that this should be provided for in the financial statement of Niche. As per the Board of Directors of Niche, there remains an inherent uncertainty as to the outcome of the appeal and therefore, the Directors are of the opinion that no provision should be made at this point of time." The management had obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and the matter is continued to be disclosed under contingent liability.

As at year ended 31st March, 2023, the Company has aggregate financial exposure of ₹ 12,837.13 Lakhs (P.Y. ₹ 12,267.33 Lakhs) in Niche comprising of investment, trade receivable and corporate guarantee given to bank for loan availed by Niche. Considering the impact of ongoing litigation as elaborated in the above para, loss for the year and accumulated losses in Niche as at balance sheet date, the statutory auditors of the Company are of the view that the Company would need to provide for impairment on the financial exposure of ₹ 12,837.13 Lakhs (P.Y. ₹ 12,267.33 Lakhs).

Considering the above uncertainty in regard to ongoing litigation related to EU matter and circumstances prevailing as at the balance sheet date, such as past performance, results, accumulated losses, negative networth, expected cash flows, the management of the Company on the basis of abundant precaution, has made full provision towards impairment of long-term investment in Niche amounting to ₹ 6,909.36 Lakhs (P.Y. ₹ Nil). Such provision is grouped under exceptional item in Statement of Profit and Loss. Further, the management is of the view that no further provision is required for the balance financial exposure of ₹ 5,927.77 Lakhs (P.Y. ₹ 12,267.33 Lakhs) in view of the future business outlook, unless the outcome of EU matter is not in favour of the subsidiary.

On the above matter, the auditors of the Company have given qualified opinion in their audit report on standalone financial statement for the year ended 31st March, 2023.

- 39 (a) Estimated amount of Contracts remaining to be executed (net of advances) on Capital account of ₹ 7,066.15 Lakhs (P.Y. ₹ 13,394.57 Lakhs) and on other purchase orders of ₹ 21,222.67 Lakhs (P.Y. ₹ 21,147.99 Lakhs) are not provided for.
- (b) The Company has imported goods under the advance authorisation scheme / export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate and has availed packing credit against the export orders. These benefits are subject to future exports. Such pending export obligations at year end aggregate to ₹ 33,091.46 Lakhs (P.Y. ₹ 26,416.65 Lakhs).
- (c) The Company's intention is to continue to provide financial support to its subsidiaries [Niche Generics Ltd, Unichem Laboratories Ltd (Ireland) and Unichem Farmaceutica Do Brasil Ltda]. Further, pending outcome of the appeal in respect of European Commission matter (refer note 38), the Company will consider all available options to assist the subsidiary.

40 Credit facilities and term loan facility from Kotak Mahindra Bank availed by the Company and / or its subsidiary, Niche Generics Limited (United Kingdom), are secured by first and exclusive mortgage charge on immovable property being industrial land and building known as Unichem Laboratories Limited on plot bearing CTS No. 510 of Village Oshiwara and CTS No.1 of Village Majas, Prabhat Estate, Off. S. V. Road, Patel Engineering Road, Jogeshwari (West), Mumbai 400 102 and first and exclusive hypothecation charge on movable property, plant and equipment and mortgage charge on immovable properties being Industrial land and building at Goa. During the financial year ended 31st March 2023, the Company has created the mortgage charge on immovable properties at Goa towards credit facilities and term loan facility availed from Kotak Mahindra Bank.

Further, credit facilities from Citibank, N.A. availed by the Company, are secured by way of first and exclusive charge on pledge against investments in mutual funds to the extent of ₹ 124.79 Lakhs (P.Y. ₹ 3,762.79 Lakhs). Additionally, credit facilities availed by the Company from Bank of India, Axis Bank and HDFC Bank are secured against hypothecation of stock and debtors.

Additionally, all credit facilities have been registered with Registrar of Companies (ROC) within the prescribed due date.

41 As per Ind AS 108 'Operating Segment', segment information has been provided under the Notes to Consolidated Financial Statements.

42 42.1 In respect of its investment in wholly owned subsidiary "Unichem Farmaceutica Do Brasil Ltda", Brazil, full impairment loss was recognised in earlier years against total investment amount of ₹ 7,086.72 lakhs (P.Y. ₹ 7,086.72 lakhs). Impairment loss has been continued after an internal assessment based on circumstances prevailing as at the balance sheet date such as past performance, results, assets, expected cash flows, projections, status of product approvals and nature of the market and regulatory conditions.

42.2 During the year ended 31st March, 2023, the Company on the basis of abundant precaution has made full provision towards impairment of long-term investment in its wholly owned subsidiary "Unichem Laboratories Ltd, Ireland" amounting to ₹ 2,104.84 lakhs (P.Y. ₹ Nil) which is grouped under exceptional item in Statement of Profit and Loss. The management has made this provision after an internal assessment based on circumstances prevailing as at the balance sheet date, such as past performance, results, accumulated losses, negative networth and expected cash flows.

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
i) Power and fuel	-	685.64
ii) Payroll expenses	-	669.61
iii) Freight	-	0.56
iv) Insurance	11.41	7.29
v) Travelling Expenses	-	1.62
vi) Rent, Rates and Taxes	-	3.47
vii) Depreciation	-	44.46
viii) R&D Chemicals	-	323.29
ix) Administrative expenses	-	205.34
x) Professional fees	-	62.62
xi) Interest	-	246.68
Total	11.41	2,250.58

a) Gross amount required to be spent by the company during the year ₹ Nil (P.Y. ₹ Nil)

b) Amount spent during the year on:

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset (P.Y.)	-	-	-
(ii) On purpose other than (i) above (P.Y.)	28.00 (63.22)	-	28.00 (63.22)

Note: Since the Company has spent in excess of the amount which was required to be spent for FY 2022-23, the Company is entitled to carry forward the amount spent of ₹ 28.00 Lakhs (P.Y. ₹ 63.22 Lakhs) to subsequent three financial years respectively which can be set off against CSR obligations of these years. However, for accounting purpose, cumulative excess amount spent of ₹ 419.67 Lakhs (P.Y. ₹ 391.67 Lakhs) is not considered as prepaid expenses.

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company manages currency risk as per trends and experiences. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to export receivables. The Company does not enter into any derivative instruments for trading or speculative purposes.

Fair Value Hedge

Hedging Instrument and Hedge Item :

(₹ in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March, 2023		Changes in amount of fair value	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign currency risk Trade Receivables hedged by Forward Contracts	14,449.34	14,518.60	-	69.26	April 2023 to September 2023	Other Financial Assets

Hedging Instrument and Hedge Item :

(₹ in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March, 2022		Changes in amount of fair value	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign currency risk Trade Receivables hedged by Forward Contracts	12,523.32	12,492.43	-	(30.89)	April 2022 to August 2022	Other Financial Liability

i) The following are the outstanding forward contracts:

Currency	Buy / Sell	In Foreign Currency (in lakhs)		₹ in lakhs	
		As at	As at	As at	As at
		31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
USD	Sell	174.38	164.60	14,518.60	12,492.43

ii) Foreign Currency exposure not hedged by forward contracts are given below :

Particulars	In Foreign Currency (in lakhs)		₹ in lakhs	
	As at	As at	As at	As at
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
A) Trade Receivables and Vendor advances				
Euro	30.89	43.02	2,757.90	3,616.51
USD	348.23	275.69	28,589.48	20,875.78
Others (GBP, ZAR, CAD & CHF)	-	-	1,628.26	1,952.41
B) Trade Payables and Customer advances				
Euro	1.59	12.73	142.41	1,077.75
USD	45.31	41.12	3,734.85	3,132.76
Others (GBP & ZAR)	-	-	4.60	17.79
C) Borrowings				
USD (PCFC loan)	15.00	15.00	1,236.30	1,142.85

Note: The above figures do not include guarantee given to bank in foreign currency on behalf of subsidiary.

The Company has a defined benefit gratuity plan. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Other long-term benefits comprises of leave entitlements and long-term bonus to the employees. Leave entitlement benefits is partly funded by the Company.

Bifurcation of liability including short-term leave benefits as per Schedule III of the Companies Act, 2013:

(₹ in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current Liability	Non-Current Liability	Net Liability	Current Liability	Non-Current Liability	Net Liability
Gratuity	443.02	1,350.65	1,793.67	439.57	1,288.14	1,727.71
Leave entitlements	518.21	2,786.20	3,304.41	503.57	2,527.99	3,031.56
Long term Bonus	190.22	53.84	244.06	610.83	180.04	790.87
Net Liability	1,151.45	4,190.69	5,342.14	1,553.97	3,996.17	5,550.14

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

Particulars	Gratuity	
	2022-2023	2021-2022
Discount rate	7.40%	6.70%
Salary growth rate	9.00%	9.00%
Expected rate of return on Plan assets	7.40%	6.70%
Withdrawal rate	15% at younger ages reducing to 2% at older ages	15% at younger ages reducing to 2% at older ages

The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discounting rate is based on material yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations. The overall expected rate of return on assets is based on the LIC structure of interest rates on gratuity funds.

The following tables summarise the funded status and amounts recognised in the balance sheet for gratuity.

Funded status of the plan:

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2023	As at 31st March, 2022
Present value of funded obligations	3,827.27	3,508.69
Fair value of plan assets	2,033.59	1,780.98
Net Liability (Asset)	1,793.68	1,727.71

Amount charged to statement of Profit and loss:

(₹ in Lakhs)

Particulars	Gratuity	
	2022-2023	2021-2022
Current service cost	439.57	372.10
Net interest cost	101.03	50.12
Total charge to statement of P&L (included in employee benefit expense)	540.60	422.22

Amount charged to Other Comprehensive Income:

(₹ in Lakhs)

Particulars	Gratuity	
	2022-2023	2021-2022
Components of actuarial (gain) / losses on obligations:		
Due to change in financial assumptions	(178.81)	(97.06)
Due to change in demographic assumption	-	-
Due to experience adjustments	65.67	456.39
Return on plan assets excluding amounts included in interest income	(111.49)	(35.42)
Amounts recognized in Other Comprehensive (Income) / Loss	(224.63)	323.91

Reconciliation of defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity	
	2022-2023	2021-2022
Opening Defined Benefit Obligation	3,508.69	2,816.52
Current service cost	439.57	372.10
Interest cost	198.89	148.05
Actuarial loss / (gain) due to change in financial assumptions	(178.81)	(97.06)
Due to change in demographic assumption	-	-
Actuarial loss / (gain) due to experience adjustments	65.67	456.39
Benefits paid	(206.73)	(187.31)
Closing Defined Benefit Obligation	3,827.28	3,508.69

Reconciliation of plan assets:

(₹ in Lakhs)

Particulars	Gratuity	
	2022-2023	2021-2022
Opening value of plan assets	1,780.99	1,834.95
Interest income	97.85	97.93
Return on plan assets excluding above	111.49	35.42
Contributions by employer	250.00	-
Benefits paid	(206.73)	(187.31)
Closing value of plan assets	2,033.60	1,780.99

Sensitivity analysis:

Assumptions	Change in assumptions		Increase/(decrease) in defined benefit obligation	
	Increase/decrease	Percentage	2022-2023	2021-2022
Discount rate	Increase by	0.5%	-3.07%	-3.24%
	Decrease by	0.5%	3.29%	3.48%
Salary growth rate	Increase by	0.5%	3.22%	3.39%
	Decrease by	0.5%	-3.04%	-3.19%
Withdrawal rate	Increase by	10%	-0.64%	-0.93%
	Decrease by	10%	0.69%	1.01%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

These plans typically expose the Company to actuarial risks such as: actuarial risk, investment risk, liquidity risk, market risk and legislative risk.

Actuarial Risk:

It is the risk that arises if benefits cost more than expected due to various reasons such as adverse salary growth experience, variability in mortality rates and withdrawal rates.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Liquidity risk:

A strain on the cash flows might occur on resignation / retirement of employees with high salaries and long duration or at a higher level hierarchy who accumulate significant benefits.

Market risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. This risk might be significant in case of discount rate assumptions as this assumption may vary depending on the yields on the corporate / government bonds and hence, the valuation of liability might be exposed to fluctuations in the yields as at the valuation date.

Legislative risk:

Risk that arises due to change in legislation / regulation that can result in the risk of increase in the plan liabilities or reduction in the plan assets which will directly have an affect on the defined benefit obligation.

Expected contribution and weighted average duration for defined benefit obligation:

Particulars	2022-2023	2021-2022
Expected contribution for the next year (₹ Lakhs)	443.02	439.57
Weighted average duration for defined benefit obligation (years)	6.22	6.31

Asset-liability matching strategies

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

Disclosure of related parties / related party transactions pursuant to Ind AS 24 'Related Party Disclosure'.

(a) List of related parties:

<p>(i) Subsidiaries of the Company (Wholly Owned) :</p> <p>Niche Generics Limited. (United Kingdom) Unichem SA Pty. LTD. (South Africa) Unichem Farmaceutica Do Brasil Ltda (Brazil) Unichem Pharmaceuticals (USA) Inc. (USA) Unichem Laboratories Ltd. (Ireland) Unichem (China) Pvt. Ltd. (China)</p>	<p>(ii) Enterprises under significant influence of key management personnel as defined in (iii) : (disclosed to the extent of transactions)</p> <p>Uni - Distributors Pvt. Ltd. Adiwasi Unnati Mandal Uni Trust Prakash Amrut Mody - Suparna Mody (Promoter Trust) Prakash Amrut Mody - Supriya Mody (Promoter Trust) Prakash Amrut Mody - Shwetambari Mody (Promoter Trust) Also Refer note (f)</p>
<p>(iii) Key management personnel and their relatives: (disclosed to the extent of transactions)</p> <p>Dr. Prakash A. Mody (Chairman & Managing Director - CMD, Promoter) Mrs. Anita Mody (Spouse of CMD) Ms. Supriya Mody (Daughter of CMD) (upto 15th May, 2023) Ms. Suparna Mody (Daughter of CMD) Mr. Dilip J. Kunkolienkar (Director - Technical)</p>	<p>(iv) Independent Directors:</p> <p>Dr. (Mrs.) B. Kinnera Murthy (upto 20th March, 2023) Mr. Anand Y. Mahajan Mr. Prafull Anubhai Mr. Prafull D Sheth Ms. Priti Puri (w.e.f 21st March, 2023)</p>
<p>(v) Post-employment benefit plans:</p> <p>Unichem Laboratories Ltd.-Employees Gratuity Fund Unichem Laboratories Ltd.-Employees Superannuation Fund</p>	<p>(vi) Key management personnel and their relatives as per Companies Act, 2013:</p> <p>Mr. Pradeep Bhandari - (Head - Legal & Company Secretary) Mr. Sandip Ghume (Dy. Chief Financial Officer)</p>

b) Disclosure of related party transactions :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
i) Sale of finished goods / solvents (Net of returns) Subsidiaries		
Niche Generics Limited.	1,692.75	2,125.54
Unichem SA Pty. Ltd.	801.63	1,148.38
Unichem Farmaceutica Do Brasil Ltda	4,337.42	2,271.44
Unichem Pharmaceuticals (USA) Inc.	59,023.13	48,191.58
Unichem Laboratories Ltd (Ireland)	166.15	74.18
	66,021.08	53,811.12
ii) Reimbursements given by subsidiaries (excluding indirect tax)		
Unichem Pharmaceuticals (USA) Inc.	771.91	521.16
Unichem SA Pty. Ltd.	84.46	141.04
	856.37	662.20
iii) Investments made (includes ESOP) Subsidiary		
Unichem Pharmaceuticals (USA) Inc.	31.80	68.04
Unichem (China) Pvt Ltd	270.87	222.90
	302.67	290.94
iv) Guarantee commission income Niche Generics Limited	25.43	28.86
	25.43	28.86
v) Commission Expense Unichem Farmaceutica Do Brasil Ltda	34.91	33.74
	34.91	33.74
vi) Guarantees to banks - given including renewal / (reduced) On behalf of Subsidiary Company		
Niche Generics Limited	672.84	-
Niche Generics Limited	(672.84)	-
	-	-
vii) Rent & Maintenance paid (excluding indirect taxes) Relative of Key Management Personnel		
Mrs. Anita Mody	16.53	18.05
Enterprise under significant influence of Key Management Personnel		
Uni - Distributors Pvt. Ltd.	14.15	12.86
Uni Trust	9.00	9.00
	39.68	39.91
viii) Managerial remuneration (including defined contribution plan) Key Management Personnel		
Dr. Prakash A. Mody	592.35	555.28
Mr. Dilip J Kunkolienkar	239.23	196.43
	831.58	751.71

b) Disclosure of related party transactions :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
ix) Salary (including defined contribution plan) Relative of Key Management Personnel Ms. Supriya Mody	107.93	93.86
	107.93	93.86
x) Dividend Paid Key Management Personnel & Relatives Dr. Prakash A. Mody	1,299.98	1,299.98
Mrs. Anita Mody	52.94	52.94
Ms. Supriya Mody	38.00	38.00
Ms. Suparna Mody	38.00	38.00
Mr. Dilip J. Kunkolienkar	3.02	3.02
Prakash Amrut Mody - Suparna Mody (Promoter Trust)	2.08	2.08
Prakash Amrut Mody - Supriya Mody (Promoter Trust)	1.80	1.80
Prakash Amrut Mody - Shwetambari Mody (Promoter Trust)	1.65	1.65
	1,437.47	1,437.47
Independent Directors Mr. Anand Y. Mahajan	0.60	0.60
Mr. Prafull Anubhai	0.03	0.03
Mr. Prafull D Sheth	0.30	0.30
	0.93	0.93
xi) Expenses Reimbursement (Establishment and administrative expenses) Subsidiaries Niche Generics Limited.	-	19.68
Unichem SA Pty. Ltd.	33.11	18.66
Unichem Farmaceutica Do Brasil Ltda	4.79	32.07
Unichem Pharmaceuticals (USA) Inc.	193.85	179.04
	231.75	249.45
xii) Sitting Fees Independent Directors Dr. (Mrs.) B. Kinnera Murthy	9.50	12.00
Mr. Anand Y. Mahajan	12.00	10.50
Mr. Prafull Anubhai	13.50	13.00
Mr. Prafull D Sheth	13.50	11.50
	48.50	47.00
xiii) Corporate Social Responsibility Enterprise under significant influence of Key Management Personnel Adiwasi Unnati Mandal	5.00	-
	5.00	-

c) Disclosure of related party balances :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
i) Trade Receivables Subsidiaries Niche Generics Limited.	3,236.39	2,818.15
Unichem SA Pty. Ltd.	219.96	583.54
Unichem Farmaceutica Do Brasil Ltda	4,919.24	3,963.10
Unichem Pharmaceuticals (USA) Inc.	28,891.75	19,865.42
Unichem Laboratories Ltd (Ireland)	76.60	92.07
	37,343.94	27,322.28
ii) Trade Payables Subsidiaries Niche Generics Limited.	2.40	2.28
Unichem SA Pty. Ltd.	1.31	1.62
Unichem Pharmaceuticals (USA) Inc.	6.73	10.59
	10.44	14.49
iii) Commission Payable Unichem Farmaceutica Do Brasil Ltda	2.97	5.23
	2.97	5.23
iv) Investments in subsidiaries In equity shares Niche Generics Limited **	6,909.36	6,909.36
Unichem SA Pty. Ltd.	12.14	12.14
Unichem Farmaceutica Do Brasil Ltda *	7,086.72	7,086.72
Unichem Pharmaceuticals (USA) Inc	3,232.05	3,200.25
Unichem Laboratories Ltd (Ireland) **	2,104.84	2,104.84
Unichem (China) Pvt Ltd (China)	637.50	366.63
	19,982.61	19,679.94

* fully provided as impairment in value of investment

** fully provided as impairment in value of investment during the year ended 31st March, 2023

c) Disclosure of related party balances :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
v) Guarantees given (to the extent of facility availed by the subsidiaries) to Banks on behalf of Subsidiary Company Niche Generics Limited	2,691.38	2,539.82
	2,691.38	2,539.82
vi) Deposits paid Relative of Key Management Personnel Mrs. Anita Mody	45.90	45.90
Enterprise under significant influence of Key Management Personnel Uni - Distributors Pvt. Ltd.	5.00	5.00
Uni Trust	2.25	2.25
	53.15	53.15
vii) Other Current Liabilities Key Management Personnel Dr. Prakash A. Mody	72.59	66.23
	72.59	66.23
viii) Sitting Fees Payable Dr. (Mrs.) B. Kinnera Murthy	-	0.90
Mr. Anand Y. Mahajan	-	0.90
Mr. Prafull Anubhai	-	0.90
Mr. Prafull D Sheth	-	1.35
	-	4.05

d) Contribution to post employment benefit plan :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Post-employment benefit plans Unichem Laboratories Ltd. - Employees Gratuity Fund	250.00	-
Unichem Laboratories Ltd. - Employees Superannuation Fund	106.94	101.01
	356.94	101.01

e) Following are Key management Personnel (not covered above) in accordance with provisions of Companies Act, 2013. Details of transactions and balances are below :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
i) Salary (including defined contribution plan) Key Management Personnel Mr. Pradeep Bhandari	96.60	92.60
Mr. Sandip Ghume	107.45	98.86
	204.05	191.46
ii) Other current liabilities Key Management Personnel Mr. Pradeep Bhandari	-	-
Mr. Sandip Ghume	-	-
	-	-

Notes related to (a) to (e)

- Number of options pending to be exercised by Mr. Dilip Kunkolienkar as on 31st March, 2023 are 2,46,176 (P.Y. 2,46,176). However, the options were surrendered subsequent to the year ended 31st March, 2023. Also refer note 18.2.
- Key Managerial Personnel and their Relatives who are under the employment of the Company are entitled to post employment benefits and other long-term employee benefits recognised as per Ind AS 19 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above. Further, it also does not include actual payments of gratuity and leave encashment. Also, re-imbursment of expenses to KMP and their relatives are not included above.
- Related party contracts / arrangements have been entered in ordinary course of business and are approved by the board of directors / shareholders as applicable.

f) In view of the Management, equity Investment in Synchron Research Services Pvt Ltd will not result the investee company becoming a related party since there is no control / influence over operations:

The summary of transactions with Synchron Research Services Pvt. Ltd are as follows (also refer note 6.1):

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Research & Development Expenditure (Bio-equivalence studies)	-	-
Rent Income (net of indirect tax)	-	30.75
Deposit received	-	-
Capital Goods Purchased	-	461.14

Disclosure as per Ind AS 116 'Leases' is as given below. Also, refer note 2.15 and 4.

As a Lessee :

- a) The Company has obtained certain equipment under non-cancellable lease agreements for the period of 36 months which are subject to renewal at mutual consent. For such leases with lower underlying value asset, the Company has applied the 'low value asset' recognition exemption. The expenses charged to the statement of profit & loss in current year is ₹ 32.58 Lakhs (P.Y. ₹ 30.43 Lakhs) and is grouped under note 35 (establishment and administrative expenses). (₹ in Lakhs)

The details of outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:	2022-2023	2021-2022
Lease payment not later than one year	10.66	22.60
Lease Payment later than one year and not later than five years	2.52	1.24
Lease Payment later than five years	-	-
Total	13.18	23.84

- b) The Company has taken flats / office premises, vehicles and other machinery on cancellable operating leases. There are no restrictions imposed by lease arrangements. For such lease arrangement with lease terms of 12 months or less, the Company has applied the 'short-term lease' recognition exemptions. There are no sub-leases. The deposit amount are refundable on completion / cancellation of lease term. The aggregate lease rentals charged as lease rent to the statement of profit and loss in current year is ₹ 132.15 Lakhs (P.Y. ₹ 109.30 Lakhs) and is grouped under note 35 (rent and establishment & administrative expenses).

- c) Disclosure with respect to lease under Ind AS - 116 'leases':

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Interest expense on lease liabilities (Refer note 33)	53.84	50.65
Lease expenses in case of short term leases (Refer note 48(b))	132.15	109.30
Lease expenses in case of low value leases (other than short term as disclosed above) (Refer note 48(a))	32.58	30.43
Lease payments debited to lease liabilities	-	1.84
Total cash outflow for leases [including short-term and low value leases]	218.57	192.22
Additions to ROU assets	46.58	2,390.25

- d) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2023 and 31st March, 2022 on an undiscounted basis:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Lease payment not later than one year	49.30	12.21
Lease Payment later than one year and not later than five years	225.49	198.24
Lease Payment later than five years	1,936.33	2,012.42
Total	2,211.12	2,222.87

- e) The right of use asset is depreciated using the straight-line method (SLM) from the commencement date over the lease term of right of use asset. For details of addition, depreciation and carrying amount of right of use asset (refer note 4).

Particulars		2022-2023	2021-2022
Weighted average number of equity shares for basic EPS (A)	Nos	7,04,05,750	7,04,05,750
Add: Potential equity shares (ESOP)	Nos	-	-
Weighted average number of equity shares for diluted EPS (B)	Nos	7,04,05,750	7,04,05,750
Face value of equity share (fully paid)	₹	2.00	2.00
Profit / (loss) attributable to equity shareholders for basic & Diluted EPS (C)	₹ lakhs	(29,970.19)	(5,542.96)
Earnings per equity share			
Basic (C/A)	₹	(42.57)	(7.87)
Diluted (C/B)	₹	(42.57)	(7.87)

Note: ESOPs are anti-dilutive and therefore, not considered for calculation of diluted earning per share. Also refer note 18.2.

- (i) During the year ended 31st March, 2023 the company has share based payment arrangements which are described below:

Type of arrangement	ESOP 2018	
	Senior Management stock option scheme - I	
Date of Grant	06.08.2018	
Number granted	15,12,224	
Contractual life	3-5 Years	
Vesting condition	As decided by Board/ Compensation Committee based on various factors	

(ii) Summary of stock option are as follows:

Particulars	ESOP 2018	
	2022-2023	2021-2022
Option outstanding at the beginning of the year (Nos.)	15,12,224	15,12,224
Granted during the year (Nos.)	-	-
Exercised during the year (Nos.)	-	-
Lapsed during the year (Nos.)	-	-
Option outstanding at the end of the year (Nos.) (refer note 18.2)	15,12,224	15,12,224
Vested and exercisable at the end of the year (Nos.)	-	-
Weighted Average Exercise Price (₹)	250	250
Weighted Average Fair Value of Option at the measurement date * (₹)	80	80

* Fair value calculated based on Black & Scholes option pricing model

(iii) Share options outstanding at the end of year have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Scheme Name	Exercise price (₹)	No. of ESOPs	
				2022-2023*	2021-2022
6th Aug, 2018	30th June, 2024	ESOP 2018	250	7,56,112	7,56,112
6th Aug, 2018	30th June, 2024	ESOP 2018	250	7,56,112	7,56,112
				15,12,224	15,12,224

* Also refer note 18.2 about surrender of outstanding ESOP subsequent to the year ended 31st March 2023.

(iv) Expense arising from share-based payment transactions:

Expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expenses were as follows: (₹ in Lakhs)

Particulars	2022-2023	2021-2022
Employee stock option plan	104.93	224.56
Total	104.93	224.56

(i) Statutory Auditors (Excluding indirect tax)

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Included in Establishment & Administrative expenses:		
Audit Fees	45.00	44.20
Tax Audit	9.50	9.50
Certification Charges	1.93	2.78
Taxation	24.00	84.75
Reimbursement of Expenses	2.11	2.23
Total	82.54	143.46

(ii) Cost Auditors (Excluding indirect Tax)

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Included in Establishment & Administrative expenses:		
Audit Fees	9.00	8.25
Certification charges	-	0.11
Total	9.00	8.36

i) Total Research and Development expenditure including amount incurred at units approved by Department of Scientific & Industrial Research :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Materials	3,312.34	3,866.31
Salaries, wages and ex-gratia	3,740.24	3,229.21
Contribution to provident fund and other funds	221.99	203.32
Employees' welfare expenses	60.51	63.93
Rent	15.60	14.45
Insurance	44.85	39.61
Rates and taxes	14.11	19.72
Repairs:		
Plant and machinery	88.00	102.34
Others	243.67	265.31
Power and fuel	386.07	379.70
Travelling and conveyance	40.57	32.65
Legal & professional expenses	233.51	463.83
Others (depreciation, bioequivalence studies, etc.)	2,538.35	2,593.72
Total	10,939.81	11,274.10

- ii) Research and Development expenditure at units approved by Department of Scientific & Industrial Research included in total Research and Development expenditure (Refer note 52(ii)).

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Materials	2,416.94	3,005.50
Salaries, wages and ex-gratia	3,654.79	3,118.78
Contribution to provident fund and other funds	219.94	199.98
Employees' welfare expenses	59.59	63.08
Rent	15.60	14.45
Insurance	35.06	30.05
Rates and taxes	14.11	19.37
Repairs:		
Plant and machinery	83.63	94.95
Others	230.99	249.37
Power and fuel	330.33	302.80
Travelling and conveyance	40.57	32.65
Legal & professional expenses	233.50	463.80
Others (depreciation, bioequivalence studies, etc.)	2,102.13	2,183.28
Total	9,437.18	9,778.06

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Amount outstanding as at year end :		
Guarantees given *	2,691.38	2,539.82
Investments made ** (includes guarantee commission receivable)	35,590.14	54,756.47

* Guarantees are given to subsidiaries for business purposes

** Refer note 6, 11 and 13 for details of investments made

- i) The carrying value and fair value of financial instruments by category is as follows :

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets: *				
Amortised cost				
Cash and cash equivalents	698.27	698.27	1,291.96	1,291.96
Other bank balances	161.09	161.09	490.59	490.59
Trade receivables	47,207.61	47,207.61	38,084.29	38,084.29
Loans	18.38	18.38	16.83	16.83
Other financial assets	733.00	733.00	868.13	868.13
Fair value through profit or loss				
Investments in mutual funds and bonds (including cash and cash equivalents)	14,993.36	14,993.36	11,883.52	11,883.52
Investments in equity instruments	44.86	44.86	28.47	28.47
Derivative instruments	69.26	69.26	-	-
Fair value through OCI				
Investments in equity instruments	-	-	22,595.23	22,595.23
Total	63,925.83	63,925.83	75,259.02	75,259.02
Financial liabilities:				
Amortised cost				
Borrowings	10,167.52	10,167.52	12,610.23	12,610.23
Trade payables	24,447.28	24,447.28	15,707.94	15,707.94
Lease liabilities	657.66	657.66	598.21	598.21
Other financial liabilities	4,548.45	4,548.45	5,214.29	5,214.29
Fair value through profit or loss				
Derivative instruments	-	-	30.89	30.89
Total	39,820.91	39,820.91	34,161.56	34,161.56

* excluding financial assets measured at cost

ii) Fair value hierarchy

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 : Valuation techniques for which lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 : Valuation techniques for which lowest level input that is significant to the fair value measurement is directly or indirectly unobservable;

The following tables categorise the financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

Fair value hierarchy as at 31st March, 2023:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments (other than in subsidiaries)	14.09	-	30.77	44.86
Investments in mutual funds	14,993.36	-	-	14,993.36
Derivative instruments (gain) / loss	-	(69.26)	-	(69.26)

Fair value hierarchy as at 31st March, 2022:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments (other than in subsidiaries)	26.47	-	22,597.23	22,623.70
Investments in mutual funds & bonds	11,883.52	-	-	11,883.52
Financial Liabilities				
Derivative Instruments (gain) / loss	-	30.89	-	30.89

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis.

Investment in mutual funds & bonds:

The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments :

- Equity investments traded in an active market determined by reference to their quoted market prices.
- Investments which are designated through other comprehensive income are fair valued and the changes in fair value is recognised in other comprehensive income. There are no gains / losses from such investments.

Derivative instruments:

For forward contracts and cross currency interest rate swaps, future cash flows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates and forward interest rates, discounted at a rate that reflects the credit risk of respective counterparties.

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

Market risk:

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying equity prices.

Foreign currency exchange rate risk:

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries and foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Since a major part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short-term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD & EURO. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges all trade receivables upto a maximum of 6 months forward based on historical trends. Hedge effectiveness is assessed on a regular basis.

The following table sets forth information relating to foreign currency exposure from USD, EURO and other currencies (which are not material) from non-derivative financial instruments:

(₹ in Lakhs)				
As at 31st March, 2023	USD	Euro	Others*	Total
Assets				
Trade Receivables and vendor advances	43,108.08	2,757.90	1,628.26	47,494.24
Total	43,108.08	2,757.90	1,628.26	47,494.24
Liabilities				
Trade Payable and customer advances	3,734.85	142.41	4.60	3,881.86
Borrowings	1,236.30	-	-	1,236.30
Total	4,971.15	142.41	4.60	5,118.16
Net Assets / Liabilities	38,136.93	2,615.49	1,623.66	42,376.08

* Others mainly include currency namely GBP, ZAR, CAD & CHF

(₹ in Lakhs)				
As at 31st March, 2022	USD	Euro	Others**	Total
Assets				
Trade Receivables and vendor advances	33,368.21	3,616.51	1,952.41	38,937.13
Total	33,368.21	3,616.51	1,952.41	38,937.13
Liabilities				
Trade Payable and customer advances	3,132.76	1,077.75	17.79	4,228.30
Borrowings	1,142.85	-	-	1,142.85
Total	4,275.61	1,077.75	17.79	5,371.15
Net Assets / Liabilities	29,092.60	2,538.76	1,934.62	33,565.98

** Others mainly include currency namely GBP, ZAR & CAD

Sensitivity analysis

(₹ in Lakhs)

Particulars	FOREIGN CURRENCY SENSITIVITY					
	As at 31st March, 2023			As at 31st March, 2022		
	USD	Euro	Others	USD	Euro	Others
1 % Appreciation in INR Impact on Profit & Loss	(381.37)	(26.15)	(16.24)	(290.93)	(25.39)	(19.35)
1 % Depreciation in INR Impact on Profit & Loss	381.37	26.15	16.24	290.93	25.39	19.35

Interest Rate Risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates and where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments or borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Company adopts a policy of ensuring that maximum of its interest rate risk exposure is at a fixed rate and there are no financial instruments with floating interest rates.

Credit risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, investments and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables (other than from subsidiaries) and unbilled revenues. The Company does not have significant concentration of credit risk related to trade receivables. In the current year, there is no single external party customer which contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as of 31st March, 2023. In previous year, there was no single external party customer which contributed to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as of 31st March, 2022.

The Company limits its exposure to credit risk by generally investing in liquid securities having and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter parties and does not have any significant concentration of exposures to specific industry sectors.

None of the financial instruments of the Company result in material concentration of credit risk. Geographic concentration of credit risk relating to trade receivable (other than subsidiaries) is predominantly there in USA i.e. above 10% and less than 10% in other countries. Refer note 12 for movement in expected credit loss allowance.

Liquidity risk:

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

(₹ in Lakhs)

As at 31st March, 2023	In 1 year	More than 1 year	Total
Trade payable	24,447.28	-	24,447.28
Lease liabilities	2.00	655.66	657.66
Borrowings	3,802.62	6,364.90	10,167.52
Other financial liabilities	4,548.45	-	4,548.45
Total	32,800.35	7,020.56	39,820.91

(₹ in Lakhs)

As at 31st March, 2022	In 1 year	More than 1 year	Total
Trade Payable	15,707.94	-	15,707.94
Lease liabilities	2.00	596.21	598.21
Borrowings	3,709.17	8,901.06	12,610.23
Other financial liabilities	5,245.18	-	5,245.18
Total	24,664.29	9,497.27	34,161.56

Capital Management:

Equity share capital and other equity (other than ESOP Reserve and Other Comprehensive Income) are considered for the purpose of Company's capital management (refer Statement of Changes in Equity of standalone financial statement). There are no externally imposed capital requirements on the Company. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company is predominantly equity financed. Further, the Company's current assets has always been higher than the liabilities. Also, current assets includes cash and bank balances along with investment which is predominantly investment in liquid and short-term mutual funds being far in excess of borrowings / debt.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2023 and 31st March, 2022.

Ratio	Numerator	Denominator	Times / %	2022-23	2021-22	% Variance	Reason for variance in excess of 25%
				Current Period	Previous Period		
(a) Current Ratio	Current Assets	Current Liabilities	times	3.33	4.41	-24.49%	-
(b) Debt-Equity Ratio	Total Borrowings	Shareholder's Equity	times	0.04	0.05	-20.00%	-
(c) Debt Service Coverage Ratio	Net Profit / (Loss) after tax+Depreciation and amortization expense+Finance cost+/-) loss/(profit) on sale of PPE	Interest & Lease payments + Principal repayments	times	(5.40)	2.68	-301.49%	Higher loss in current year which includes exceptional items of expenses
(d) Return on Equity	Profit / (Loss) after tax	Average Shareholder's Equity	%	-11.9%	-2.06%	477.67%	As stated in (c) above
(e) Inventory/Stock Turnover Ratio	Cost of goods sold +consumption of stores and spares	Average Inventory	times	1.15	0.96	19.79%	-
(f) Trade Receivables Turnover Ratio	Sales	Average Trade Receivable	times	2.42	2.48	-2.42%	-
(g) Trade payables Turnover Ratio	Purchases	Average Trade Payables	times	4.88	5.22	-6.51%	-
(h) Net Capital Turnover Ratio	Sales	Working Capital	times	1.14	0.87	31.03%	Increase in sales turnover and drop in working capital resulted in the improvement in the ratio
(i) Net Profit / (Loss) Ratio	Net Profit / (Loss) after tax	Sales	%	-29.08%	-6.03%	382.26%	Higher loss in current year along with exceptional items of expenses
(j) Return on Capital Employed	Profit / (Loss) before interest and tax (after exceptional items)	Capital Employed	%	-10.85%	-3.03%	258.09%	As stated in (i) above
(k) Return on Investment	Income generated from invested funds including fair valuation	Average invested funds	%	10.09%	25.15%	-59.88%	Lower fair value gain and part of the investments are also liquidated in current year

57 As on 31st March, 2023, the Company has not been declared wilful defaulter by any bank / financial institution or other lender.

58 The Company is not engaged in the business of trading or investing in crypto currency or virtual currency and hence, no disclosure is required.

59 The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

60 The Company has not advanced any funds or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of Ultimate Beneficiaries.

The Company has not received any funds from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such entity shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate Beneficiaries.

61 No proceedings have been initiated or are pending against the Company as on 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

62 The Company does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and hence, no disclosure is required.

63 The Company has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

64 There is no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Date: 23rd May, 2023

Sandip Ghume

Deputy Chief

Financial Officer

Pradeep Bhandari

Head - Legal &
Company Secretary

Dr. Prakash A. Mody

Chairman &
Managing Director
DIN.: 00001285

Dilip Kunkolienkar

Director - Technical
DIN.: 02666678

To

The Members,

Unichem Laboratories Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of **Unichem Laboratories Limited** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associate, comprising the Consolidated Balance Sheet as at 31st March, 2023, 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 a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “consolidated financial statements”).
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in paragraph 10 below on separate financial statements and on the other financial information of the subsidiaries and the associate, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023 and their consolidated loss (including other comprehensive income), consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

3. We draw your attention to the following qualification to the audit opinion on the financial statements of Niche Generics Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its Report dated 18th May, 2023 reproduced by us as under:

“We draw attention to note 19 of the financial statements [of Niche Generics Limited] which sets out the current on-going litigation the subsidiary, jointly with its Holding Company are facing. Whilst previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, following the hearing in October 2021, and our review of the available documentation, our opinion is that it is more likely than not that the subsidiary jointly with its Holding Company will be liable for the Euro 13.96 million fine (equivalent GBP 12.3 million at the balance sheet date). Accordingly, we believe that the fine should be provided for in the financial statements. The Directors’ opinion is that there remains an inherent uncertainty as to the outcome of the appeal and therefore the directors are of the opinion that no provision should be made at this point in time. The impact on the financial statements of including the provision, assuming the fine is not shared with the Holding Company, would be that the subsidiary would show an increase in accumulated losses and in net liabilities of Euro 13.96 million.”

Accordingly, the impact on the consolidated financial statements of including the above provision would be that the Holding Company would show consolidated total comprehensive loss for the year of ₹ 28,154.14 Lakhs and balance in other equity of ₹ 229,598.43 Lakhs as at balance sheet date as against the reported figures of consolidated total comprehensive income for the year of ₹ 15,630.27 Lakhs and other equity of ₹ 242,122.29 Lakhs. Also, refer note 39 of consolidated financial statements.

4. 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 Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Emphasis of Matter paragraph

5. We draw attention to note 12 of the consolidated financial statements in regard to the fair value of unquoted equity investments in Optimus Drugs Private Limited (“Optimus”) and the impact of change in fair value of such investments will be considered in the subsequent period when the audited financial statements of Optimus is available with the Company. Our opinion is not modified in respect of the above matter.

Key Audit Matters

6. 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. Except for the matter described in the Basis for Qualified Opinion paragraph above, we have determined that there are no other key audit matters to communicate in our report.

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

7. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Corporate Governance, Business Responsibility and Sustainability Report and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements

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

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are 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 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

10. We did not audit the standalone financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 72,569.38 Lakhs, total revenues (including other income) of ₹ 93,204.17 Lakhs, share of total profit after tax amounting to ₹ 179.66 Lakhs and net cash inflow amounting to ₹ 971.89 Lakhs for the year ended 31st March, 2023, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management. These financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditor.
11. In case of associate, the carrying value of investment is fully impaired in the year ended 31st March, 2022. Further, financial information of associate is not available for the year ended 31st March, 2023. In view of the above and in our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the standalone financial statements of the associate which are certified by the Management. Also refer para 3 above under 'Basis for Qualified Opinion'.

Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, we report that:
 - a. Except in respect of matter specified in the 'Basis for Qualified Opinion' paragraph above, 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 aforesaid consolidated financial statements;
 - b. Except for the effects of the matter described in the 'Basis of Qualified Opinion' paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors; and with respect to associate, we have relied on the information and explanation provided to us by the management;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), 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. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse impact on the functioning of the Group;
 - f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act. The subsidiary companies are incorporated outside India, hence, section 164(2) of the Act is not applicable to the subsidiary companies. With respect to the associate, the information about disqualification of director u/s 164(2) is not available; hence, we cannot comment on the same;

- g. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, considering that the wholly owned subsidiaries are incorporated outside India and an associate whose accounts are not available as on the date of the report, reporting requirements are not applicable and not possible to report upon respectively. In respect of the Holding Company, our report on adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls may be referred to our separate report in "Annexure I". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls over financial reporting;
- h. The qualification relating to the maintenance of accounts and other matters connected therewith are as already stated in the 'Basis for Qualified Opinion' paragraph above;
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its financial position of the Group and the associate. Refer note 38(A)(i), 38(A)(ii), 38(B)(i), 38(B)(ii) and 38(B)(iii) to the consolidated financial statements;
 - ii. The Group and the associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. With respect to the subsidiaries and the associate, this clause is not applicable.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement. Also, refer note 58 of the consolidated financial statements.
 - v. As stated in note 19 to the consolidated financial statements:
 - (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) The Board of Directors of the Holding Company have not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company with effect from 1st April, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.
- 13. With respect to the matters specified in paragraphs 3(xx) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, we state that reporting under CARO is not applicable to subsidiaries of the Holding Company as they are incorporated outside India.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

Milan Mody

Partner

Membership No.: 103286

UDIN.: 23103286BGPZMD2760

Place: Mumbai

Date: 23rd May, 2023

Annexure I to Independent Auditor's Report for the year ended 31st March, 2023

**[Referred to in point 11 (g) under the heading "Report on other legal and regulatory requirements" of our report of even date]
Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 (the "Act")**

Opinion

In conjunction with our audit of the consolidated financial statements of **Unichem Laboratories Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company as of and for the year ended 31st March, 2023, we have audited the internal financial controls over financial reporting of the Holding Company.

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Holding 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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. The Holding 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 Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorizations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Holding 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.

For **N. A. Shah Associates LLP**

Chartered Accountants

Firm's Registration No.: 116560W/W100149

Milan Mody

Partner

Membership No.: 103286

UDIN.: 23103286BGPZMD2760

Place: Mumbai

Date: 23rd May, 2023



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as at 31st March, 2023

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,19,612.44	92,448.89
(b) Right of use assets	4	5,899.14	6,400.01
(c) Capital work-in-progress	3	14,745.42	49,381.42
(d) Investment property	5	-	-
(e) Goodwill	3	154.51	154.51
(f) Other intangible assets	3	-	-
(g) Investments accounted for using the equity method	6	-	-
(h) Financial assets			
(i) Investments	6	16.09	28.47
(ii) Loans	7	12.76	11.60
(iii) Other financial assets	8	631.57	813.06
(i) Deferred tax assets (net)	9	1,011.27	435.51
(j) Other non-current assets	10	18,034.08	17,364.53
		1,60,117.28	1,67,038.00
Current assets			
(a) Inventories	11	62,522.93	60,022.15
(b) Financial assets			
(i) Investments	12	153.56	26,358.02
(ii) Trade receivables	13	58,862.17	49,543.31
(iii) Cash and bank balances	14		
Cash & cash equivalents		18,375.22	10,919.63
Other bank balances		161.07	490.59
(iv) Loans	15	5.62	5.23
(v) Other financial assets	16	170.69	55.07
(c) Other current assets	17	18,595.25	17,098.47
		1,58,846.51	1,64,492.47
Non-current assets held for sale	5.2	341.10	346.96
TOTAL ASSETS		3,19,304.89	3,31,877.43
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	1,408.12	1,408.12
(b) Other equity	19	2,42,122.29	2,60,432.98
		2,43,530.41	2,61,841.10
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	6,364.90	8,901.06
(ii) Lease liabilities	21	1,149.31	1,457.12
(b) Provisions	22	4,190.69	3,996.17
(c) Deferred tax liabilities (net)	23	-	-
(d) Other non-current liabilities	24	109.50	469.21
		11,814.40	14,823.56
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	23,374.35	24,135.18
(ii) Lease liabilities	21	515.95	421.84
(iii) Trade payables	26		
Total outstanding dues of micro enterprises and small enterprises		551.31	884.98
Total outstanding dues of creditors other than micro enterprises and small enterprises		28,517.29	17,433.72
(iv) Other financial liabilities	27	4,561.86	5,252.86
(b) Other current liabilities	28	5,189.43	5,265.37
(c) Provisions	29	1,200.75	1,609.28
(d) Current tax liabilities (net)		49.14	209.54
		63,960.08	55,212.77
TOTAL EQUITY AND LIABILITIES		3,19,304.89	3,31,877.43
Significant accounting policies & notes	1-62		

Notes to Accounts form an integral part of consolidated financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Date: 23rd May, 2023

Sandip Ghume

Deputy Chief

Financial Officer

Pradeep Bhandari

Head - Legal &

Company Secretary

Dr. Prakash A. Mody

Chairman &

Managing Director

DIN.: 00001285

Dilip Kunkolienkar

Director - Technical

DIN.: 02666678

for the year ended 31st March, 2023

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I Revenue from operations	30	1,34,302.22	1,26,983.22
II Other income	31	3,851.51	4,750.94
III Total Income (I+II)		1,38,153.73	1,31,734.16
IV EXPENSES			
Cost of materials consumed	32	53,219.93	45,601.35
Purchases of Stock-in-Trade		152.65	134.90
Changes in inventories of finished goods and work-in-progress	32	1,720.09	(4,153.41)
Employee benefits expense	33	35,641.05	33,048.96
Finance costs	34	1,731.25	610.53
Impairment loss on financial assets	35	341.72	723.89
Depreciation and amortisation expense	3,4	11,344.37	9,116.61
Other expenses	36	47,782.32	44,348.34
Total expenses (IV)		1,51,933.38	1,29,431.17
V Profit / (Loss) before share of profit / (loss) in associate (III - IV)		(13,779.65)	2,302.99
VI Share of profit / (loss) in associate (net of tax)		-	(106.10)
VII Profit / (Loss) before exceptional items and tax (V+VI)		(13,779.65)	2,196.89
VIII Exceptional items - expenses	36.2	3,856.64	-
IX Profit / (Loss) before tax (VII-VIII)		(17,636.29)	2,196.89
X Tax expense:			
(1) Current tax	23	1,105.63	1,050.83
(2) Deferred tax charge / (credit)	9,23	1,534.98	(2,183.81)
(3) Short / (Excess) provision for tax (earlier years)	23	(54.14)	23.70
		2,586.47	(1,109.28)
XI Profit / (Loss) for the year (IX-X)		(20,222.76)	3,306.17
XII Other Comprehensive Income	37		
A (i) Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of the net defined benefit plan		224.63	(323.91)
- Equity instruments through other comprehensive income		1,586.82	7,646.40
(ii) Income tax (expense) / credit relating to items that will not be reclassified to profit or loss			
- Remeasurement of the net defined benefit plan		-	(24.58)
- Equity instruments through other comprehensive income (net)		2,061.22	(1,760.71)
B (i) Items that will be reclassified to profit or loss			
- Foreign currency translation difference		719.82	(162.15)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total of Other Comprehensive Income		4,592.49	5,375.05
XIII Total Comprehensive Income for the year (XI+XII)		(15,630.27)	8,681.22
XIV Earnings per equity share (face value of Rs. 2 each)	46		
(1) Basic		(28.72)	4.70
(2) Diluted		(28.72)	4.68
Significant accounting policies & notes	1- 62		

Notes to Accounts form an integral part of consolidated financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Date: 23rd May, 2023

Sandip Ghume

Deputy Chief

Financial Officer

Pradeep Bhandari

Head - Legal &

Company Secretary

Dr. Prakash A. Mody

Chairman &

Managing Director

DIN.: 00001285

Dilip Kunkolienkar

Director - Technical

DIN.: 02666678

A. Equity Share Capital

Particulars	2022-2023		2021-2022	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Shares outstanding as at the beginning of the year	7,04,05,750	1,408.12	7,04,05,750	1,408.12
Add: Shares allotted under ESOP during the year	-	-	-	-
Shares outstanding as at the end of the year	7,04,05,750	1,408.12	7,04,05,750	1,408.12

B. Other Equity

(₹ in Lakhs)

Particulars	Employee stock options outstanding account	Reserves and Surplus			Other Comprehensive Income (OCI)			Total
		Securities Premium	Capital Redemption Reserve	Retained Earnings	Remeasurements of defined benefit plans	Equity instrument through OCI	Exchange differences on translating the financial statements of a foreign operation	
Balance at 31st March, 2021	775.20	133.02	1,246.00	2,50,118.17	(538.23)	2,647.69	(106.49)	2,54,275.36
Profit / (Loss) for the year	-	-	-	3,306.17	-	-	-	3,306.17
Other Comprehensive Income for the year	-	-	-	-	(348.49)	5,885.69	(162.13)	5,375.07
Payment of dividend	-	-	-	(2,816.23)	-	-	-	(2,816.23)
Recognition of share-based payment (ESOP) (net)	292.61	-	-	-	-	-	-	292.61
Balance at 31st March, 2022	1,067.81	133.02	1,246.00	2,50,608.11	(886.72)	8,533.38	(268.62)	2,60,432.98
Profit / (Loss) for the year	-	-	-	(20,222.76)	-	-	-	(20,222.76)
Other Comprehensive Income for the year	-	-	-	-	224.63	3,648.04	718.91	4,591.58
Payment of dividend	-	-	-	(2,816.23)	-	-	-	(2,816.23)
Recognition of share-based payment (ESOP) (net)	136.72	-	-	-	-	-	-	136.72
Transfer to retained earnings	-	-	-	12,181.42	-	(12,181.42)	-	-
Balance at 31st March, 2023	1,204.53	133.02	1,246.00	2,39,750.54	(662.09)	-	450.29	2,42,122.29

Significant accounting policies & notes

1- 62

Notes to Accounts form an integral part of consolidated financial statements

Employee stock option outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account. Also refer note 19.2.

Securities Premium

The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The utilisation of securities premium is in accordance with the Section 52 of the Companies Act, 2013.

Capital Redemption Reserve

The Holding Company had recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back. This reserve will be utilised in accordance with the Section 69 of the Companies Act, 2013. It also includes capital redemption reserve of a subsidiary.

Other Comprehensive Income

- The reserve represents the remeasurement gains / (losses) arising from the actuarial valuation of the defined benefit obligations of the Holding Company. The remeasurement gains / (losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.
- Equity instrument through OCI represents changes in fair value of equity instruments which are measured at fair value through OCI, net of taxes. The amounts recognised under this reserve are not reclassified to profit or loss. However, it may be transferred to retained earnings on realisation.
- Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in separate reserve within equity. The cumulative amount is reclassified to profit or loss when the investment is disposed-off.

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Date: 23rd May, 2023

Sandip Ghume

Deputy Chief

Financial Officer

Pradeep Bhandari

Head - Legal &

Company Secretary

Dr. Prakash A. Mody

Chairman &

Managing Director

DIN.: 00001285

Dilip Kunkolienkar

Director - Technical

DIN.: 02666678

for the year ended 31st March, 2023

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. Cash Flow from Operating Activities		
Net Profit / (loss) before tax	(17,636.29)	2,196.89
Adjustments:		
Depreciation / amortisation	11,344.37	9,122.92
Loss / (profit) on sale / discard of property, plant and equipment (net)	(128.27)	23.43
Unrealised exchange difference (net)	265.60	(722.22)
Rent income	(0.10)	(30.84)
Share of (profit) / loss from associate	-	106.10
Finance cost	1,731.25	610.53
Provision for doubtful debts, loans, advances & deposits (net)	89.18	(22.06)
Share-based payment to employees	104.93	284.84
Fair value gain on investments (net)	(904.94)	(312.19)
Net loss on sale of shares	502.24	-
Interest income	(51.62)	(647.77)
Sundry balances written off / (written back)	(9.36)	(89.01)
Impairment loss on financial assets	-	487.13
- investments in equity instruments of associate	-	236.76
- inter-corporate deposits and interest thereon	341.72	(1,001.35)
Dividend income	(0.59)	-
	13,284.41	8,046.27
Operating Profit / (Loss) before working capital changes	(4,351.88)	10,243.16
Working capital Adjustments:		
Trade receivables and other assets	(12,361.46)	(27,709.88)
Inventories	(2,500.78)	(6,188.17)
Trade payable and other liabilities	11,926.11	(1,544.80)
	(2,936.13)	(35,442.85)
Cash Generated from / (used in) operations	(7,288.01)	(25,199.69)
Direct taxes refund received / (payment made)	(1,221.06)	(761.51)
Net Cash Flow from / (used in) Operating Activities A	(8,509.07)	(25,961.20)
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment including Capital WIP	(4,431.57)	(12,700.24)
Proceeds from sale of property, plant and equipment	637.39	16.41
Consideration from sale of identified business (net)	-	-
Tax paid on sale of identified business	-	-
Sale of current investment (net)	23,651.03	20,408.73
Rent received	0.10	30.84
(Increase) / decrease in escrow bank accounts	329.52	8.19
Interest received	94.27	1,474.48
Dividend received	0.59	1,001.35
Net cash flow from / (used in) Investing Activities B	20,281.33	10,239.76
C. Cash Flow from Financing Activities		
Increase / (decrease) in working capital borrowings (net)	(769.25)	11,484.69
Receipt of term loan from bank	-	12,418.96
Repayments of long term borrowings	(2,566.32)	(951.58)
Payments of Lease liabilities	(340.00)	(484.88)
Finance cost paid	(1,628.97)	(508.22)
Dividend paid	(2,825.45)	(2,836.15)
Net cash flow from / (used in) Financing Activities C	(8,129.99)	19,122.82
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	3,642.27	3,401.38
Add: Current Investments reclassified as cash and cash equivalents during the year	3,638.01	-
Net (Decrease) / Increase in Cash and Cash Equivalents	7,280.28	3,401.38
Cash and Cash Equivalents at the beginning of the year	10,919.63	7,746.08
Effect of fair value gain / (loss) on liquid mutual Funds	175.31	(227.83)
Cash and Cash Equivalents at the end of the year	18,375.22	10,919.63
Significant accounting policies & notes	1-62	

Notes: 1. Changes in financing liabilities arising from cash and non cash changes

(₹ in Lakhs)

Particulars	1st April, 2022	Cash inflows / (outflows)	Non cash changes	31st March, 2023
Borrowings - non cash changes arising out of exchange rate fluctuations	33,036.24	(3,535.43)	238.44	29,739.25
Lease liabilities - non cash changes arising out of unwinding & additions of liabilities	1,878.96	(340.00)	126.30	1,665.26
Particulars	1st April, 2021	Cash inflows / (outflows)	Non cash changes	31st March, 2022
Short-term borrowings (packing credit) - non cash changes arising out of exchange rate fluctuations	10,062.50	22,952.07	21.67	33,036.24
Lease liabilities - non cash changes arising out of unwinding of liabilities	1,846.81	(484.88)	517.03	1,878.96

Notes to Accounts form an integral part of consolidated financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Date: 23rd May, 2023

Sandip Ghume

Deputy Chief

Financial Officer

Pradeep Bhandari

Head - Legal &

Company Secretary

Dr. Prakash A. Mody

Chairman &

Managing Director

DIN.: 00001285

Dilip Kunkolienkar

Director - Technical

DIN.: 02666678

for the year ended 31st March, 2023

1. Group information

The consolidated financial statements comprise the financial statements of Unichem Laboratories Limited (the Holding Company) and the following wholly owned subsidiaries and associate (together referred to as “the Group”):

Name of Entity	Country of Incorporation*	Principal Activities
Subsidiaries (having 100% of ownership interest)		
Niche Generics Limited	United Kingdom	Pharmaceuticals
Unichem SA Pty Ltd.	South Africa	Pharmaceuticals
Unichem Pharmaceuticals (USA) Inc.	United States of America	Pharmaceuticals
Unichem Farmaceutica Do Brasil Ltda	Brazil	Pharmaceuticals
Unichem Laboratories Limited	Ireland	Pharmaceuticals
Unichem China Pvt. Ltd. - (incorporated w.e.f. 27th June 2019)	China	Pharmaceuticals
Associate		
Synchron Research Services Pvt. Ltd. (Proportion of equity holding – 32.11 %)	India	Technical Testing and Analysis Services

* Principal place of business is same as country of incorporation.

Equity Investment in ‘Synchron Research Services Pvt. Ltd.’ is accounted as per Ind AS 28 - Investments in Associates and joint ventures, although the Holding Company does not exercise any significant influence over the operations of investee.

The consolidated financial statements of the Group for the year ended 31st March, 2023 were approved and adopted by the Board of Directors in their meeting dated 23rd May, 2023.

2. Significant accounting policies

2.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended for rules issued thereafter, the provisions of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Basis of preparation and presentation

These consolidated financial statements have been prepared on the historical cost convention and on accrual basis except for the following assets and liabilities which have been measured at fair value:

- i. Certain financial assets and liabilities (including derivative instruments);
- ii. Defined benefit plans – plan assets;
- iii. Equity settled share based payments;
- iv. Assets held for sale

The financial statements are in accordance with Division II of Schedule III to the Act, as applicable to the Holding Company.

2.3. Basis of Consolidation

- i) The Holding Company consolidates all entities which it controls. Control is established when the Holding Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity’s returns by using its power over the entity.
- ii) The Holding Company reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company.
- iii) Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Holding Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- iv) Where the cost of the investment is higher than the share of equity in the subsidiary at the time of acquisition, the resulting difference is treated as goodwill. Where the cost of the equity is lower than the share of equity in the subsidiary, the difference is treated as capital reserve.
- v) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- vi) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property,

plant & equipment, are eliminated in full. Tax impact is given for the intra-group eliminations wherever applicable.

- vii) In case of subsidiaries, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve in 'other equity'.
- viii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- ix) Investment in associates where the Holding Company holds more than 20% of equity and/or having significant influence, are accounted for using equity method as per Ind AS 28 - Investments in Associates and joint ventures.
- x) The Holding Company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Holding Company and its associates to the extent of its share, to the extent such change is attributable to the associates' statement of profit and loss.
- xi) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2.4. Current and non-current classification

All assets and liabilities are presented in the Balance Sheet based on current or non-current classification as per Group's normal operating cycle and other criteria set out in Division II of Schedule III of the Act.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Group has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

2.5. Functional currency and presentation of currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Holding Company operates ('the functional currency'). The financial statements are presented in Indian Rupee, which is the Holding Company's functional and presentation currency. All amounts are rounded off to the nearest rupees in lakhs. The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.

2.6. Use of significant accounting estimates, judgements and assumptions

The preparation of the financial statements requires the management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported balances of assets and liabilities, disclosure of contingent liabilities and assets as on the date of financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below:

- i) Estimation of useful life of property, plant and equipment (refer note no. 2.9 and 3)
- ii) Estimation of useful life of intangible assets (refer note no. 2.11 and 3)
- iii) Impairment of goodwill (refer note no. 2.13 and 3)
- iv) Impairment of property, plant and equipment and Capital work-in-progress (refer note no. 2.15 and 3)
- v) Estimation of provisions and contingent liabilities (refer note no. 2.20, 29, 38 and 39)
- vi) Estimation of defined benefit plan and other long-term benefits (refer note no. 2.21, 22, 29 and 49)
- vii) Fair value measurement and impairment of financial instruments (refer note no. 2.31 and 52)
- viii) Recognition of "Right of use" of assets as per the requirement of Ind AS 116 (refer note no. 2.18, 4 and 21)

2.7. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised on satisfaction of performance obligation as per contract and upon transfer of control of products to customers.

Revenue is measured at the transaction price that is allocated to that performance obligation. Amounts disclosed as revenue are net of other indirect taxes, discounts, rebates, expiry claims and sales returns.

Income from services including commission income, product development revenue and licence fees income is recognised when the services are rendered or when contracted milestones have been achieved and is recorded net of indirect taxes.

Export benefits are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest income on financial assets is recognised using the effective interest rate.

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of dividend can be measured reliably.

Rental income on investment property given under operating lease arrangement is recognised on straight line basis over the lease term in accordance with terms of agreement. Rental income is recorded net of indirect tax and expenses which are directly attributable to investment property.

2.8. Taxes

Income Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years that may become necessary due to certain developments or reviews during the relevant period. In respect of amounts adjusted outside the statement of profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted in other comprehensive income or in equity and not in the statement of profit or loss.

Current tax

Provision for current tax is made as per the provisions of governing tax laws. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Group has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

Deferred tax liabilities arising out of temporary differences associated with investment in subsidiaries and associates, are not recognised when the Holding Company can control the timing of the reversal of temporary difference and it is probable that the temporary difference will not reverse in foreseeable future.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

For units which enjoy tax holiday benefit, deferred tax assets and liabilities have been provided for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

2.9. Property, plant and equipment (Tangible Assets) and depreciation

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all property, plant and equipment are measured using cost model.

Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset.

Cost for subsequent additions comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditures are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Group identifies and determines cost of each component / part of the plant and equipment separately, if the component / part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Pre-operation expenses and trial runs (net of revenue) and borrowing cost directly attributable to the cost of construction of the qualifying asset are treated as part of the project cost and are capitalized / allocated to the cost of asset in the year in which the project is completed. Administrative and other expenses which are not directly related to construction are charged to the consolidated statement of profit and loss.

Gains or losses arising from de-recognition of tangible property, plant and equipment are recognised in the consolidated statement of profit and loss.

Depreciation is provided on all assets (other than free hold land and capital work-in-progress), on pro-rata basis, using the following methods based on the respective estimate of useful lives as given below.

- a) Straight-Line Method on buildings, plant and machinery, computers and servers
- b) Written-Down Value Method for others

The management believes that useful lives currently used is as prescribed under Part C of Schedule II to the Indian Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Estimated useful lives of Property, plant and equipment are as follows:

Nature of assets	Useful life
Factory buildings on leasehold land	Lower of 30 years or balance lease period
Buildings on freehold land	30 to 60 years
Roads	3 to 10 years
Plant and equipments [other than below]	10 to 15 years
Plant and equipments [continuous processing assets and other special equipment's related to Pharma industry]	20 to 25 years
Furniture and fixture	5 to 10 years
Vehicles	8 years
Office equipment	3 to 5 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets". Cost of assets under construction / acquisition / not put to use at the Balance Sheet date are disclosed under "Capital work-in-progress".

2.10. Investment Property

Property that is held for long-term rentals yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment properties are measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any. Depreciation on building held as Investment Property is provided over its useful life (of 60 years) using the straight line method.

2.11. Investment in Associates

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control over those policies.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interest in the associate that are not related to the Group.

The results, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, under which an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds its interest in that associate, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued.

2.12. Intangible Assets and amortization

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Intangible assets comprise licence submission fees which are amortised over their estimated useful economic life (expected to be about 5 years) from commencement of marketing. The estimated useful life of intangible assets is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

Other standalone software / license costs are fully charged off to statement of profit and loss in the year of expenditure. These softwares / licenses are for administrative purposes.

2.13. Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over the underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) that is

expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.14. Non-Current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Non-current assets and liabilities classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

2.15. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an asset or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

2.16. Research and development expenditure

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are also charged to the statement of profit and loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized.

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, plant and equipment and depreciation.

2.17. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognised as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transaction. Foreign currency non-monetary items which are measured at fair value are reported using the exchange rate at the date when the fair value is determined. Exchange difference arising on fair valuation of non-monetary items is recognised in line with the gain or loss of item that give rise to such exchange difference (i.e. translation differences on items whose gain or loss is recognised in statement of profit and loss or other comprehensive income is also recognised in the statement of profit and loss or other comprehensive income respectively).

2.18. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprise of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right of use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right of use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right of use asset unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right of use asset reflects that the Group will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group 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 Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

2.19. Inventories

Inventories consists of raw materials, packing materials, stores and spares, stock-in-trade, work-in-progress and finished goods. Inventories of raw materials, packing material, stores and spares are valued at cost and other inventories are valued at lower of cost and net realisable value after providing for obsolete / slow moving items. Cost is determined on weighted average basis.

Cost includes cost of purchase, non-refundable taxes and other costs / overheads incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

2.20. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result 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. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

2.21. Employee benefits

i) Short-term employee benefit

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service

ii) Post-employment benefits

a. Defined contribution plan

The Group contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution.

Certain employees of the Holding Company are participants in Superannuation plan. The Holding Company has no further obligations to the Superannuation plan beyond its monthly contributions which are periodically contributed to "Unichem Laboratories Limited Employees Superannuation Fund Trust", the corpus of which is invested with the Life Insurance Corporation of India.

The Group's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Holding Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Holding Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. The Holding Company fully contributes all ascertained liabilities to "Unichem Laboratories Limited Employees Gratuity Fund Trust", the corpus of which is invested with the Life Insurance Corporation of India.

The current service cost and interest on the net defined benefit liability / (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income and are not reclassified to statement of profit and loss in subsequent periods. Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

iii) Other long-term benefits

The Holding Company has other long-term benefits in the form of leave benefits. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method carried out by independent actuary. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit and loss as income or expense. Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

In case of a subsidiary (Niche Generics Limited), employees who have completed specified years of service are eligible for a death benefit plan wherein a defined amount would be paid to the survivors of the employee in the event of their death while in service with the subsidiary. To fulfil the subsidiary's obligation for the above mentioned plan, the subsidiary has taken term policy from an insurance company. The annual premium for insurance cover is recognised in the profit and loss account.

2.22. Equity settled share-based payments

Equity-settled share based payments to employees are measured at the fair value (i.e. excess of fair value over the exercise price of the option) of the Employee Stock Options Plan at the grant date. The fair value of option at the grant date is calculated by Black-Scholes model. In case the options are granted to employees of the Holding Company and Subsidiary Company, the fair value determined at the grant date is expensed on a straight line basis over the vesting period, based on the Holding Company's estimate of options that will eventually vest, with a corresponding increase in equity.

The dilutive effect of outstanding options is reflected in determining the diluted earnings per share.

The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to the general reserve on account of stock options not exercised by employees.

2.23. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Operating Segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

2.24. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

2.25. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Holding company will comply with its conditions.

Government grants relating to income are recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate. In case of Exports Promotion Capital Goods (EPCG) scheme,

government grants is recognised in the statement of profit and loss over the period of fulfilment of export obligation.

Government grants relating to the assets are credited in the statement of profit and loss over the expected useful life of the assets.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the fair value of the loan and the proceeds received.

2.26. Dividend distribution

Final equity dividends on shares are recorded as a liability on the date of approval by the shareholders and interim equity dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors.

2.27. Share Capital

Ordinary shares are classified as equity. Transaction cost related to buy-back of equity shares is reduced from the retained earnings / reserves, net of tax effects.

2.28. Earnings per equity share

The Basic earnings per equity share is computed by dividing the net profit after tax for the year attributable to the equity shareholders of the Holding Company by weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share are computed by dividing the net profit attributable to equity holders of the Holding Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, etc.

2.29. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term deposits, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Group's cash management.

2.30. Cash flow statement

Cash Flows are reported using Indirect Method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.31. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value except for trade receivables that are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Financial assets:

Cash and bank balances

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term highly liquid investments / mutual funds (with zero exit load at the time of investment) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Other bank balances includes balances and deposits with bank that are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order 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.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial

assets 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.

In respect of equity investments (other than joint ventures) which are not held for trading, the Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. However, cumulative gain or loss may be transferred within equity.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Holding Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.32. Amendments to existing Ind AS issued but not effective as at 31st March, 2023

On 31st March, 2023, Ministry of Corporate Affairs ("MCA") amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 – Preparation of Financial Statements:

Companies should now disclose "Material Accounting Policies" rather than their "Significant Accounting Policies". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:

- a) Selection of a measurement technique (estimation or valuation technique)
- b) Selecting the inputs to be used when applying the chosen measurement technique.

Ind AS 12 – Income Tax: Narrowed the scope of the Initial Recognition Exemption (with regard to leases and decommissioning obligations). Now such exemption does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The Company does not expect the above amendments to have any significant impact in its financial statements.

(₹ in Lakhs)

Particulars	Property, Plant & Equipment							Goodwill	Other Intangible Assets			Capital work-in-progress
	Freehold land	Buildings *	Plant & equipment	Furniture & fixture	Vehicles	Office equipment	Total		Software licenses	Product licenses	Total intangible assets	
Gross carrying value, at cost												
As at 31st March, 2021	378.01	34,170.36	75,678.05	1,323.84	476.15	946.68	1,12,973.09	154.51	415.86	669.37	1,239.74	56,749.62
Additions	-	4,562.60	12,841.90	182.88	7.47	162.88	17,757.73	-	12.42	-	12.42	12,495.00
Disposal and Exchange gain / loss	-	9.38	346.98	16.78	-	23.24	396.38	-	-	13.00	13.00	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	19,863.20
As at 31st March, 2022	378.01	38,723.58	88,172.97	1,489.94	483.62	1,086.32	1,30,334.44	154.51	428.28	656.37	1,239.16	49,381.42
Additions	-	12,296.29	25,037.76	462.59	-	251.37	38,048.01	-	7.17	-	7.17	3,915.00
Disposal & Exchange gain / loss	-	9.67	1,072.92	20.93	14.18	6.67	1,124.37	-	-	(44.70)	(44.70)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	38,551.00
As at 31st March, 2023	378.01	51,010.20	1,12,137.81	1,931.60	469.44	1,331.02	1,67,258.08	154.51	435.45	701.05	1,291.01	14,745.42
Accumulated Depreciation / Amortisation / Impairment												
As at 31st March, 2021	-	6,116.28	22,238.89	572.16	101.53	662.82	29,691.68	-	415.86	669.37	1,085.23	-
Charge for the year - Depreciation & amortisation	-	1,522.88	6,550.54	195.14	118.59	167.09	8,554.24	-	12.42	-	12.42	-
Disposal / held for sale & Exchange gain / loss	-	13.22	325.30	8.61	0.01	13.23	360.37	-	-	13.00	13.00	-
As at 31st March, 2022	-	7,625.94	28,464.13	758.69	220.11	816.68	37,885.55	-	428.28	656.37	1,084.65	-
Charge for the year - Depreciation & amortisation	-	1,855.16	8,352.53	250.88	82.32	215.45	10,756.34	-	7.17	-	7.17	-
Disposal & Exchange gain / loss	-	(23.74)	968.38	26.77	13.48	11.36	996.25	-	-	(44.68)	(44.68)	-
As at 31st March, 2023	-	9,504.84	35,848.28	982.80	288.95	1,020.77	47,645.64	-	435.45	701.05	1,136.50	-
Net book value												
As at 31st March, 2023	378.01	41,505.36	76,289.53	948.80	180.49	310.25	1,19,612.44	154.51	-	-	154.51	14,745.42
As at 31st March, 2022	378.01	31,097.64	59,708.84	731.25	263.51	269.64	92,448.89	154.51	-	-	154.51	49,381.42

* Buildings include one Flat amounting to ₹ 97.16 Lakhs (P.Y. ₹ 97.16 Lakhs) where the co-operative society is yet to be formed.

Notes:

- Building includes cost of shares in co-operative societies ₹ 0.56 Lakhs (P.Y. ₹ 0.56 Lakhs).
- Capital work-in-progress includes ₹ 4,646.37 Lakhs (P.Y. ₹ 10,683.47 Lakhs) on account of cost of construction.
- The amount of capital commitment disclosed in note 40(a).
- Certain property, plant and equipment were hypothecated / mortgaged as security for borrowing as disclosed under note 41.
- The Group tests goodwill for impairment annually and provides for impairment if the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is determined based on "value in use" calculations which is calculated as the net present value of forecasted cash flows of cash generating unit (CGU) to which the goodwill is related.

Key assumptions are as follows:

- Projected cash flows.
 - Long term growth rate depending on macro-economic growth factors.
 - Discount rate reflecting current market assessment of the risks specific to the CGU.
- Addition to property, plant and equipment and CWIP includes ₹ 1,025.07 Lakhs (P.Y. ₹ 621.61 Lakhs) being expenditure on Research and Development as under:

(₹ in Lakhs)

Assets Description	2022-2023	2021-2022
Plant & Machinery	288.70	120.22
Furniture & Fixtures	3.11	-
Office Equipment	-	3.52
Capital Work in Progress	733.26	497.87
Total	1,025.07	621.61

- Ageing of Capital work-in-progress:
CWIP ageing schedule as at 31st March, 2023

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	998.19	944.67	8,394.05	4,408.51	14,745.42
Projects temporarily suspended	-	-	-	-	-

Closing CWIP as at 31st March, 2023 mainly includes new manufacturing facility at Pithampur which is expected to capitalize in next year. Due to Covid-19 pandemic the completion timelines of the projects were extended.

CWIP ageing schedule as at 31st March, 2022

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11,232.70	23,701.63	13,827.27	619.82	49,381.42
Projects temporarily suspended	-	-	-	-	-

Closing CWIP as at 31st March, 2022, mainly includes new manufacturing facility at Goa which is capitalized in current year. Due to covid 19-pandemic, the completion timelines of the projects were extended.

8. Depreciation charged to P&L account:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Property, Plant and Equipments	10,763.51	8,566.66
Right of use assets	580.86	549.95
Total	11,344.37	9,116.61

9. Borrowing cost :

(a) In accordance with Ind AS 23, the borrowing cost of ₹ 112.48 Lakhs (P.Y. ₹ 294.88 Lakhs) is capitalised to property, plant and equipment (mainly building, plant & machinery).

(b) The rate used to determine the amount of borrowing costs eligible for capitalisation is 6.75% to 7.15% (P.Y. 6.75%).

Following are the changes in the carrying value of right of use assets:

(₹ in Lakhs)

Particulars	Category of ROU assets					
	2022-2023			2021-2022		
	Leasehold Land	Buildings	Total	Leasehold Land	Buildings	Total
Opening Balance	5,221.89	1,178.12	6,400.01	2,985.61	1,620.74	4,606.35
Additions	46.58	104.10	150.68	2,390.25	-	2,390.25
Deletions	-	(70.69)	(70.69)	-	(2.18)	(2.18)
Depreciation	(185.93)	(394.93)	(580.86)	(109.51)	(440.44)	(549.95)
Depreciation charged to CWIP	-	-	-	(44.46)	-	(44.46)
Closing Balance	5,082.54	816.60	5,899.14	5,221.89	1,178.12	6,400.01

Refer note - 48

The Group holds leasehold land and building against which there is annual payment over the lease period which is in range of 24-75 years and 6-10 years respectively which is non-cancellable. The terms and conditions includes extension of the lease period subject to fulfilment of the conditions as per lease agreements.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gross Carrying amount		
Opening gross carrying amount	-	398.81
Additions	-	-
Less: Transfer to assets held for sale (refer note no 5.2)	-	(398.81)
Closing gross carrying amount	-	-
Accumulated depreciation		
Opening accumulated depreciation	-	45.52
Depreciation charge (netted off from rent income)	-	6.31
Less: Transfer to assets held for sale (refer note no 5.2)	-	(51.83)
Closing accumulated depreciation	-	-
Net carrying amount	-	-

5.1 Amounts recognised in statement of profit or loss for investment property

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Rental Income	-	46.12
Depreciation	-	6.31
Net income from investment property	-	39.81

5.2 In the previous year, operating lease period was discontinued and the Investment Property was classified as held for sale. It is valued at the lower of its carrying amount and fair value less cost to sell. These assets are expected to be disposed off in the next 12 months. The fair value of the property is not readily available however, based on the management and market assessment, the fair value would be higher than carrying value of the assets. During the year ended 31st March, 2023, the carrying value of 'asset held for sale' is written down and loss of ₹ 6.31 Lakhs (P.Y. Nil) is charged off to statement of profit and loss.

6.1 Investments accounted for using the equity method

Particulars	No. of Shares		Face value	(₹ in Lakhs)	
	As at	As at		As at	As at
	31st March, 2023	31st March, 2022		31st March, 2023	31st March, 2022
(I) At Cost :					
UNQUOTED					
Equity Instruments of Associate (fully paid)					
Synchron Research Services Private Limited	2,08,333	2,08,333	₹ 10	487.13	593.23
Add: Share in Profit / (Loss) after tax				-	(106.10)
Less: Impairment in value of investments (refer note 6.3)				(487.13)	(487.13)
Total of Investments measured at cost				-	-

6.2 Investments (Non current)

Particulars	No. of Shares		Face value	₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022		As at 31st March, 2023	As at 31st March, 2022
(I) At fair value through profit and loss (FVTPL)					
UNQUOTED					
Equity Instruments (fully paid)					
Shivalik Solid Waste Management Limited	20,000	20,000	₹ 10	2.00	2.00
Sub Total				2.00	2.00
QUOTED					
Equity Instruments (fully paid)					
Jindal Polyfilm Limited	2,000	2,000	₹ 10	10.02	22.23
Jindal Poly Investment and Finance Company Ltd.	500	500	₹ 10	2.21	1.44
Aurobindo Pharma Ltd.	8	8	₹ 1	0.04	0.05
Universus Photo Imagings Ltd.	500	500	₹ 10	1.82	2.75
Kothari Industrial Corporation Ltd.	20	20	₹ 5	-	-
Sub Total				14.09	26.47
Total of investment management at FVTPL				16.09	28.47
Aggregate carrying value of unquoted investments				2.00	2.00
Aggregate amount of impairment in value of investments				(487.13)	(487.13)
Aggregate carrying value of quoted investments				14.09	26.47
Aggregate market value of quoted investments				14.09	26.47

6.3 During the year ended 31st March, 2022, impairment loss on financial assets was provided of ₹ 487.13 Lakhs towards impairment of equity investment in 'Synchron Research Services Private Limited' (associate company). The carrying value of the investment as on balance sheet date is Nil (P.Y. Nil).

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Loans to Employees	12.76	11.60
Total	12.76	11.60

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Inter-Corporate Deposits (refer note 8.1)	-	300.00
[Net of provision for Impairment loss of ₹ 1,000 Lakhs, (P.Y. ₹ 700 Lakhs)]		
Deposits		
Considered Good	631.57	513.06
Considered Doubtful	53.53	53.53
Less : Allowance for Doubtful deposits	(53.53)	(53.53)
Total	631.57	813.06

8.1 Considering the uncertainty prevailing on IL&FS group, in case of inter-corporate deposits with IL&FS provision for impairment loss is made to the extent of 100% (upto 70% in previous year) of the principal amount and interest accrued thereon. Refer note 35 & 16.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax assets (net)	1,011.27	435.51
Total	1,011.27	435.51

9.1 The deferred tax asset comprises of:

Particulars	As at 31st March, 2023	Charge/(credit) for the year	As at 31st March, 2022
Deferred Tax Assets			
Unrealised profits (net) on account of Intra-group eliminations	-	-	-
Capitalized development stage costs	41.08	29.36	70.44
Exchange difference for the year	-	-	-
Depreciation / Amortisation	(51.75)	(8.08)	(59.83)
Others	1,021.94	(597.04)	424.90
Total	1,011.27	(575.76)	435.51

Particulars	As at	Charge/(credit)	As at
	31st March, 2022	for the year	31st March, 2021
Deferred Tax Assets			
Unrealised profits (net) on account of Intra-group eliminations	-	1,094.30	1,094.30
Capitalized development stage costs	70.44	28.69	99.13
Exchange difference for the year	-	-	-
Depreciation / Amortization	(59.83)	4.02	(55.81)
Others	424.90	(167.16)	257.74
Total	435.51	959.85	1,395.36

9.2 In case of certain subsidiaries, deferred tax asset has not been recognised on unused tax losses of ₹ 18,980.23 Lakhs (P.Y. ₹ 18,034.56 Lakhs) in the absence of probable future taxable income. This loss can be carried forward as per the timeline prescribed in jurisdiction of the subsidiaries.

9.3 In respect of the Company, deferred tax asset is recognised on the amount of tax loss, unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability. Further, there are unabsorbed tax depreciation amounting to ₹ 27,552.99 Lakhs (P.Y. ₹ 8,585.25 Lakhs) for which deferred tax asset is not recognised. In respect of a subsidiary, deferred tax assets (net) are recognised as per applicable tax laws.

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Capital advances	668.78	2,042.23
[Net of provision for Doubtful advances ₹ 42.18 lakhs (P.Y. ₹ 11.86 Lakhs)]		
Payments to European Commission (refer note 39)	1,871.65	1,630.16
Balance with government authorities (including refund receivable)	14,861.94	13,069.60
Advance income tax (net of provision)	631.71	622.54
Total	18,034.08	17,364.53

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Raw Materials	27,702.84	24,083.81
[Include ₹ 2,346.06 Lakhs in transit, (P.Y. ₹ 727.47 Lakhs)]		
Packing Materials	2,679.00	2,211.49
[Include ₹ 165.64 Lakhs in transit, (P.Y. ₹ 1.65 Lakhs)]		
Work-in-Progress	8,138.07	10,214.94
Finished Goods	22,616.21	22,259.43
[Include ₹ 599.38 Lakhs in transit, (P.Y. ₹ 89.63 Lakhs)]		
Stores and Spares	1,386.81	1,252.48
Total	62,522.93	60,022.15

11.1 During the year ended 31st March 2023, ₹ 2,137.30 Lakhs (P.Y. ₹ 1,546.50 Lakhs) was recognised as an expense for inventories carried at net realisable value.

11.2 Refer note 2.19 of accounting policy for inventory valuation.

Particulars	No. of Units		(₹ in Lakhs)	
	As at	As at	As at	As at
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
At fair value through profit and loss (FVTPL)				
QUOTED				
INVESTMENT IN MUTUAL FUNDS				
SBI Liquid Fund Direct Growth*	3,542	1,12,892	124.79	3,762.79
Subtotal			124.79	3,762.79
UNQUOTED				
Equity Instruments (fully paid)				
Optimus Drugs Private Limited (refer note 12.2)	4,918	-	28.77	-
Subtotal			28.77	-
Total of Investments measured at FVTPL			153.56	3,762.79
At fair value through Other Comprehensive Income (FVTOCI)				
UNQUOTED				
Equity Instruments (fully paid)				
Optimus Drugs Private Limited (refer note 12.1)	-	39,02,457	-	22,595.23
Total of Investments measured at FVTOCI			-	22,595.23
Total			153.56	26,358.02
Aggregate carrying value of unquoted investments			28.77	22,595.23
Aggregate amount of impairment in value of investments			-	-
Aggregate carrying value of quoted investments			124.79	3,762.79
Aggregate market value of quoted investments			124.79	3,762.79

* Investments in mutual funds are pledged with Citibank N.A. Refer note 41

- 12.1 During the year ended 31st March, 2023, the Company has sold specified number of shares held in Optimus Drugs Private Limited ('Investee' or 'Optimus') to Sekhmet Pharmaventures Private Limited ('Purchaser') in terms of Share Purchase Agreement ('SPA') dated 10th May, 2022. Further, the number of shares sold included additional equity shares issued to Company pursuant to conversion of bonus Compulsory Convertible Preference Shares which were allotted to the Company during the year and net gain / (loss) on disposal of investments is ₹ 1,084.58 Lakhs (P.Y. Nil) out of which ₹ (502.24) Lakhs (P.Y. Nil) is grouped under exceptional item (refer note 36.2) and balance amount of ₹ 1,586.82 Lakhs (P.Y. Nil) is grouped under other comprehensive income (refer note 37.1).
- 12.2 The balance number of unsold equity shares with carrying value of ₹ 28.77 Lakhs (P.Y. Nil) as at the balance sheet date are classified as Fair Value through Profit and Loss. This is based on the fair valuation report obtained during the year and in absence of information from Optimus, fair value could not be determined as at balance sheet date and impact of change in fair value of such investments will be considered in the subsequent period when the audited financial statements of the investee are made available to the Holding Company. The balance number of unsold equity shares will be sold for a price to be determined based on the criteria of performance of the investee as per the SPA.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Considered good - Secured	-	-
Unsecured		
Considered good	58,862.17	49,543.31
Considered Doubtful	295.19	319.83
Less : Allowance for Doubtful debts	(295.19)	(319.83)
Total	58,862.17	49,543.31

The movement in allowance for doubtful receivables is as follows :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Opening balance	319.83	492.16
Add : Allowance for doubtful receivables made during the year	-	-
Less : Allowance for doubtful receivables reversed/ utilised during the year	(24.64)	(172.33)
Closing balance	295.19	319.83

13.1 Trade receivables ageing schedule - Current:**As at 31st March, 2023**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	13,003.49	45,845.21	124.72	1.49	51.47	4.87	59,031.25
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	41.60	0.79	17.74	60.13
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	65.98	65.98
Sub total	13,003.49	45,845.21	124.72	43.09	52.26	88.59	59,157.36
Less: Allowance for Doubtful debts							(295.19)
Total							58,862.17

As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	47,765.10	1,870.89	38.47	42.33	2.56	77.81	49,797.16
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	65.98	65.98
Sub total	47,765.10	1,870.89	38.47	42.33	2.56	143.79	49,863.14
Less: Allowance for Doubtful debts							(319.83)
Total							49,543.31

(₹ in Lakhs)

Particulars	No. of Units		Amount	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
(a) Cash & cash equivalents				
(i) Balances with banks				
In Current Accounts			3,366.58	2,528.62
(ii) Cash on hand			5.10	8.30
(iii) Investments in Mutual Fund (At FVTPL)				
Quoted				
ICICI Prudential Liquid Fund - Growth	23,45,379.39	-	7,755.10	-
HDFC Liquid fund - Direct Plan - Growth Option	98,377.14	-	4,351.42	-
ICICI Prudential Liquid fund - Direct Plan - Growth	-	12,86,930.93	-	4,057.13
SBI Liquid Fund Direct Growth	41,164.24	-	1,450.34	-
Aditya Birla Liquid - Direct Plan - Growth	3,61,269.24	11,84,291.09	1,311.71	4,063.60
Immediate liquidity applications -FAF (Brazil)	10,079.26	24,581.92	134.97	261.98
			18,375.22	10,919.63
(b) Other bank balances (Restricted bank balances)				
In Unpaid Dividend Account			149.88	159.12
In Fixed Deposits (against Bank Guarantee) having original maturity more than 3 months			11.19	331.47
			161.07	490.59
Total			18,536.29	11,410.22
Aggregate carrying value of quoted investments			15,003.54	8,382.71
Aggregate market value of quoted investments			15,003.54	8,382.71

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Loans to Employees	5.62	5.23
Total	5.62	5.23

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Insurance claim receivables	89.01	-
Accrued Interest on bonds and fixed deposits	12.42	55.07
[Net of provision for Impairment loss ₹ 139.08 Lakhs (P.Y. ₹ 97.35 Lakhs)]		
Others (Forward contract receivable)	69.26	-
Total	170.69	55.07

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Prepaid Expenses	2,343.15	2,104.76
Balances with Revenue Authorities (including refund receivables)		
Considered good	15,036.49	12,885.18
Considered Doubtful	69.56	69.56
Less: Provision for Doubtful Advances	(69.56)	(69.56)
Advance against materials and expenses	353.54	808.57
Export incentive receivable	617.44	1,187.12
Other receivables / advances		
Considered good	244.63	112.84
Considered doubtful	149.03	129.00
Less: Provision for doubtful advances	(149.03)	(129.00)
Total	18,595.25	17,098.47

17.1 The movement in allowance for doubtful advances (including allowance made against non-current items) is given below: (₹ in Lakhs)

Particulars	2022-2023	2021-2022
Opening balance (refer note 8,10,16 and 17)	991.74	697.97
Add : Allowance for doubtful advances made during the year	392.08	293.77
Less: Reversal / utilisation during the year	-	-
Closing balance	1,383.82	991.74

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
AUTHORISED		
17,50,00,000 Equity Shares of ₹ 2/- each (P.Y :17,50,00,000 Equity shares of ₹ 2/- each)	3,500.00	3,500.00
5,00,00,000 Unclassified Shares of ₹ 2/- each (P.Y.: 5,00,00,000 Unclassified Shares of ₹ 2/- each)	1,000.00	1,000.00
50,00,000 Preference Shares of ₹ 10/- each (P.Y. : 50,00,000 Preference Shares of ₹ 10/- each)	500.00	500.00
Total	5,000.00	5,000.00

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
ISSUED, SUBSCRIBED AND FULLY PAID UP		
7,04,05,750 Equity Shares of ₹ 2/- each fully paid up (P.Y. 7,04,05,750 Equity Shares of ₹ 2/- each fully paid up)	1,408.12	1,408.12
Total	1,408.12	1,408.12

18.1 Reconciliation of Number of Shares (Equity)

Particulars	2022-2023		2021-2022	
	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)
Shares outstanding as at the beginning of the year	7,04,05,750	1,408.12	7,04,05,750	1,408.12
Add / (Less): Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	7,04,05,750	1,408.12	7,04,05,750	1,408.12
Add / (Less): Movements during the year	-	-	-	-
Shares outstanding as at the end of the year	7,04,05,750	1,408.12	7,04,05,750	1,408.12

18.2 Rights, preferences and restrictions attached to Equity Shares.

The Holding Company has one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

18.3 Shareholders holding more than 5 per cent of total Equity Shares of the Company:

Name of the Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody	3,24,99,392	46.16	3,24,99,392	46.16
HDFC Small Cap Fund	47,12,911	6.69	51,03,389	7.25

18.4 As per the records of the Holding Company, including its register of shareholders / members & other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

18.5 Shareholding of Promoters:

S. No.	Promoter's Name	No. of Shares	% of total shares	No. of Shares	% of total shares
		as on 31st March, 2023	as on 31st March, 2023	as on 31st March, 2022	as on 31st March, 2022
1.	Prakash Amrut Mody	3,24,99,392	46.16%	3,24,99,392	46.16%
2.	Anita Prakash Mody	13,23,400	1.88%	13,23,400	1.88%
3.	Suparna Prakash Mody	9,49,936	1.35%	9,49,936	1.35%
4.	Supriya Prakash Mody	9,49,936	1.35%	9,49,936	1.35%
5.	Prakash Amrut Mody - Suparna Mody Trust (Promoter Trust)	52,016	0.07%	52,016	0.07%
6.	Prakash Amrut Mody - Supriya Mody Trust (Promoter Trust)	45,052	0.06%	45,052	0.06%
7.	Prakash Amrut Mody - Shwetambari Mody Trust (Promoter Trust)	41,283	0.06%	41,283	0.06%
	Total	3,58,61,015	50.93%	3,58,61,015	50.93%

Also refer note 20.2.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
CAPITAL REDEMPTION RESERVE		
Balance at the beginning of the year	1,246.00	1,246.00
Add: Additions / (deductions) during the year	-	-
Balance at the end of the year	1,246.00	1,246.00
SECURITIES PREMIUM		
Balance at the beginning of the year	133.02	133.02
Add: Additions / (deductions) during the year	-	-
Balance at the end of the year	133.02	133.02
EMPLOYEE STOCK OPTIONS OUTSTANDING ACCOUNT		
Balance at the beginning of the year	1,204.53	1,204.53
Add: Additions during the year	-	-
Less: Deduction during the year	-	-
	1,204.53	1,204.53
Less: Deferred Employees' stock compensation	-	(136.72)
Balance at the end of the year (refer note 19.2)	1,204.53	1,067.81
OTHER COMPREHENSIVE INCOME		
Foreign currency translation reserve		
Balance at the beginning of the year	(268.62)	(106.49)
Exchange difference arising on translating the foreign operations	718.91	(162.13)
Balance at the end of the year	450.29	(268.62)
EQUITY INSTRUMENT THROUGH OCI		
Balance at the beginning of the year	8,533.38	2,647.69
Add / (Less): Movements during the year	3,648.04	5,885.69
Less: Transferred to Retained Earnings (refer note 19.3)	(12,181.42)	-
Balance at the end of the year	-	8,533.38
REMEASUREMENTS OF DEFINED BENEFIT PLANS		
Balance at the beginning of the year	(886.72)	(538.23)
Add / (Less): Movements during the year	224.63	(348.49)
Balance at the end of the year	(662.09)	(886.72)
RETAINED EARNINGS		
Balance at the beginning of the year	2,50,608.11	2,50,118.17
Add: Profit / (Loss) for the year	(20,222.76)	3,306.17
Add: Transferred from Other comprehensive income (refer note 19.3)	12,181.42	-
Less: Final Dividend paid	2,816.23	2,816.23
Balance at the end of the year	2,39,750.54	2,50,608.11
Total Reserves & Surplus	2,42,122.29	2,60,432.98

- 19.1 During the year ended 31st March, 2018, the Holding Company had concluded the buyback of 20,600,000 equity shares aggregating 22.65% of the paid-up equity share capital of the Holding Company at a price of ₹ 430 per equity share. The Holding Company had funded the buyback from its securities premium account, general reserve and retained earnings. Further, capital redemption reserve of ₹ 412.00 Lakhs representing the nominal value of the shares bought back had been created as an appropriation from retained earnings. Transaction costs related to buyback were adjusted against retained earnings (net of tax).
- 19.2 Subsequent to the year ended 31st March, 2023, outstanding ESOPs have been surrendered by the employees to the Holding Company and its subsidiaries. Accordingly, balance in ESOP reserve will be transferred to the retained earnings on the date of surrender.
- 19.3 It represents realised gain on disposal of investments in equity shares of Optimus Drugs Private Limited (also refer note 12.1) which were classified under "Fair Value through Other Comprehensive Income".
- 19.4 During the year, the Holding Company has paid final dividend of ₹ 4 per equity share declared for the year ended 31st March, 2022 post approval of the shareholders at the AGM held on 9th August, 2022.

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Secured		
Term loan from bank	6,364.90	8,901.06
Total	6,364.90	8,901.06

20.1 The Holding Company had availed a term loan facility from bank at a floating rate linked to repo rate which is repayable in 20 quarterly installments over the tenure of 5 years commencing from December 2021. Refer note 41 for securities pledged against the loan.

20.2 Subsequent to year ended 31st March, 2023, IPCA Laboratories Limited has entered into a Share Purchase Agreement with the promoter of the Holding Company for acquisition of 33.38% shares of the paid-up capital of the Holding Company. Further, the Holding Company is in the process of obtaining approval from the banks for the proposed change in shareholding of promoters.

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Current lease liabilities	515.95	421.84
Non-current lease liabilities	1,149.31	1,457.12
Total	1,665.26	1,878.96

Refer note - 48

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Provision for employee benefits (refer note 49)		
Defined benefit plan-Gratuity	1,350.65	1,288.14
Leave benefits	2,786.20	2,527.99
Long-term bonus	53.84	180.04
Total	4,190.69	3,996.17

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Deferred tax liabilities (net) in respect of the Holding Company	-	-
Total	-	-

23.1 Deferred tax asset is recognised on the amount of tax loss, unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability.

23.2 Income tax expense/ (benefit) recognised in consolidated statement of profit and loss (Holding Company and its Subsidiaries):

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Current tax:		
Current tax on profits for the year	1,105.63	1,050.83
Adjustments for current tax of prior periods	(54.14)	23.70
Total Current tax expense	1,051.49	1,074.53
Deferred Tax:		
Decrease / (increase) in Deferred Tax Assets	1,354.75	(1,688.07)
(Decrease) / Increase in Deferred Tax Liabilities	180.23	(495.74)
Total Deferred tax expense / (credit)	1,534.98	(2,183.81)
Aggregate income tax expense	2,586.47	(1,109.28)

23.3 Income tax expense recognised in other comprehensive income and other equity (Holding Company and Its Subsidiaries):

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Deferred tax liability on fair value gain on equity instruments (net)	(2,061.22)	1,760.71
Deferred tax asset on net loss / (gain) on Remeasurements of Defined Benefit Plans	-	24.58
Income Tax Expense / (Income) Charged to OCI	(2,061.22)	1,785.29

23.4 Reconciliation of tax expense and the accounting profit (Holding Company and its Subsidiaries) multiplied by India's domestic tax rate:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Total profit / (loss) before income taxes	(17,636.29)	2,196.89
At India's Statutory Income Tax Rate of 25.168% (P.Y. 25.168%)	(4,438.70)	552.91
Adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of expenses not deductible in determining taxable profit	(60.20)	(60.20)
Tax rate difference	(154.98)	(154.98)
Exempt income on which tax is not payable	-	-
Deferred tax asset recognised on remaining amount of b/f tax loss	-	(377.29)
Deferred tax asset not recognised on remaining amount of losses	7,096.88	-
Tax effect due to taxable income of subsidiaries / intra-group eliminations	-	(1,094.30)
Deferred tax regrouped on remeasurements of defined benefit plans	-	24.58
Adjusted income tax expenses	2,443.00	(1,109.28)
Tax charge / (credit) impact given in Other Comprehensive Income	(2,061.22)	1,785.29
Total tax	381.78	676.01
Effective Income Tax Rate	-2.16%	30.77%

23.5 Reflected in the Balance Sheet as follows (Holding Company):

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities		
Depreciation and amortisation	7,017.57	6,837.33
Fair value gain on mutual funds (net)	127.33	-
Fair value gain on equity instruments (net)	-	2,061.22
	7,144.90	8,898.55
Deferred Tax Assets		
Allowance for doubtful trade receivables	74.29	80.49
Allowance for doubtful advances	37.51	32.47
Allowance for impairment in value of investments	1,474.04	1,474.04
Allowance for impairment in value of other financial assets	251.68	200.68
Provision for employee benefits	1,283.08	1,197.81
Allowance for impairment in value of investments in Associate	118.42	118.42
Business loss / unabsorbed depreciation	3,803.85	5,761.16
Others	102.03	33.48
	7,144.90	8,898.55
Deferred Tax Liabilities (net)	-	-

23.6 Movement of deferred tax during the year 2022-2023 (Holding Company)

(₹ in Lakhs)

Particulars	Opening balance 1st April, 2022	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March, 2023
Deferred tax liabilities in relation to				
Depreciation and amortisation	6,837.33	180.24	-	7,017.57
Fair value gain on mutual funds (net)	-	127.33	-	127.33
Fair value gain on equity instruments (net)	2,061.22	-	(2,061.22)	-
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(80.49)	6.20	-	(74.29)
Allowance for doubtful advances	(32.47)	(5.04)	-	(37.51)
Allowance for impairment in value of investments	(1,474.04)	-	-	(1,474.04)
Allowance for impairment in value of other financial assets	(200.68)	(51.00)	-	(251.68)
Provision for employee benefits	(1,197.81)	(85.28)	-	(1,283.08)
Allowance for impairment in value of investments in Associate	(118.42)	-	-	(118.42)
Business loss / unabsorbed depreciation	(5,761.16)	1,957.31	-	(3,803.85)
Others	(33.48)	(68.55)	-	(102.03)
Deferred tax liabilities (net)	-	2,061.22	(2,061.22)	-

23.7 Movement of deferred tax during the year 2021-2022 (Holding Company)

(₹ in Lakhs)

Particulars	Opening balance 1st April, 2021	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March, 2022
Deferred tax liabilities in relation to				
Depreciation and amortisation	7,333.06	(495.73)	-	6,837.33
Fair value gain on equity instruments (net)	300.51	-	1,760.71	2,061.22
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(123.87)	43.38	-	(80.49)
Allowance for doubtful advances	(14.81)	(17.66)	-	(32.47)
Allowance for impairment in value of investments	(1,474.04)	-	-	(1,474.04)
Allowance for impairment in value of other financial assets	(141.09)	(59.59)	-	(200.68)
Provision for employee benefits	(885.88)	(336.51)	24.58	(1,197.81)
Allowance for impairment in value of investments in Associates	-	(118.42)	-	(118.42)
Business loss / unabsorbed depreciation	(3,618.49)	(2,142.67)	-	(5,761.16)
Others	(5.17)	(28.31)	-	(33.48)
Deferred tax liabilities (net)	1,370.22	(3,155.51)	1,785.29	-

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Others (Customer Advances)	109.50	469.21
Total	109.50	469.21

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
From Banks		
Packing credit (refer note 41)	1,236.30	1,142.85
Cash credit facility, repayable on demand (refer note 41)	19,571.73	20,426.01
Loan from Bank (current maturity of long term borrowings) (refer note 20)	2,566.32	2,566.32
Total	23,374.35	24,135.18

25.1 There were no differences in details of stock and debtors statement submitted by the Company to the bank for each quarter in comparison to books of account.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	551.31	884.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	28,517.29	17,433.72
Total	29,068.60	18,318.70

26.1 Trade Payables ageing schedule:

As at 31st March, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	47.37	473.26	30.69	-	-	-	551.32
(ii) Others	1,619.60	4,794.88	22,006.23	55.17	23.14	18.26	28,517.28
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	1,666.97	5,268.14	22,036.92	55.17	23.14	18.26	29,068.60

As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	42.47	571.94	264.95	5.48	-	0.14	884.98
(ii) Others	1,888.08	11,138.35	4,182.82	135.21	46.94	42.32	17,433.72
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	1,930.55	11,710.29	4,447.77	140.69	46.94	42.46	18,318.70

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Unclaimed Dividend	149.90	159.12
Deposits from Customers	21.64	21.64
Payable for employee benefits	3,400.40	1,831.82
Payable for Capital Goods	989.92	3,209.39
Others (Forward contract payable)	-	30.89
Total	4,561.86	5,252.86

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Other Payables		
Statutory Dues (refer note 28.2)	2,441.87	2,173.65
Revenue received in advance (refer note 28.1)	2,452.70	2,694.86
Others (customer advances, etc.)	294.86	396.86
Total	5,189.43	5,265.37

28.1 It represents amount of grants (in the nature of export benefits) relating to property, plant and equipment imported under the EPCG scheme. Under such scheme, the Holding Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Also refer note 40(b).

28.2 It includes accumulated liability towards provident fund of ₹ 10.87 Lakhs which will be paid off on linking of aadhar number of certain employees with the provident fund portal.

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Provision for employee benefits (refer note 49)		
Defined benefit plan	443.02	439.57
Leave benefits	518.21	503.57
Long-term bonus	190.22	610.83
Other Provisions		
Claims (refer note 29.1)	49.30	55.31
Total	1,200.75	1,609.28

29.1 The Holding Company has made provisions for certain claims where cash outflow is expected within 12 months from balance sheet date. The Holding Company does not expect any reimbursement in regards to the provision made. (₹ in Lakhs)

Particulars	2022-2023	2021-2022
Opening Balance	55.31	72.17
Add : provisions made	-	-
Less: utilisations	6.01	16.86
Closing balance	49.30	55.31

(₹ in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2023	31st March, 2022
Sale of products	1,30,242.01	1,24,798.20
Other operating revenues		
Export benefits	1,757.39	997.49
Other operating revenues (Raw material, solvent, scrap sale, R&D revenue etc.) (refer note 30.2)	2,302.82	1,187.53
	4,060.21	2,185.02
Total Revenue from Operations	1,34,302.22	1,26,983.22

30.1 Disclosure for disaggregation of revenue :

(₹ in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2023	31st March, 2022
Formulations	1,15,824.98	1,09,687.82
Bulk Drugs and chemicals	14,417.03	15,110.38
Total	1,30,242.01	1,24,798.20

30.2 Other operating revenues includes ₹ Nil (P.Y. ₹ 411.27 Lakhs) received upon settlement with the party towards reimbursement of legal expenses incurred by the Holding Company in earlier period.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Income (Refer note 31.1)	51.62	647.77
Dividend Income on investments measured at Fair value through Profit and loss	0.59	0.37
Dividend Income on investments measured at Fair value through OCI	-	1,000.98
Net gain on investments measured at Fair value through Profit and loss	904.94	312.19
Profit on sale of property, plant and equipment (net)	128.27	-
Other non-operating income [guarantee commission, notice pay, lease rent, etc. (net)]	34.49	51.47
Net gain / (loss) on foreign currency translation and transactions	2,731.60	2,738.16
Total	3,851.51	4,750.94

31.1 Details of interest income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Income on financial assets measured at amortised cost / others	51.62	61.91
Interest Income on investments measured at Fair value through Profit and loss	-	585.86

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw Materials	46,372.44	39,709.24
Packing Materials	6,847.49	5,892.11
Total	53,219.93	45,601.35

CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN- PROGRESS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventories at the Commencement		
Finished Goods	22,259.43	20,574.74
Work-in-progress	10,214.94	7,746.22
	32,474.37	28,320.96
Inventories at year end		
Finished Goods	22,616.21	22,259.43
Work-in-progress	8,138.07	10,214.94
	30,754.28	32,474.37
(Increase) / Decrease in Finished Goods	(356.78)	(1,684.69)
(Increase) / Decrease in Work-in-progress	2,076.87	(2,468.72)
Total change in inventory	1,720.09	(4,153.41)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and wages	32,782.64	30,274.89
Contribution to provident and other funds	1,945.84	1,710.79
Share-based payments to employees	104.93	284.84
Staff welfare expenses	807.64	778.44
Total	35,641.05	33,048.96

33.1 Aggregate Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Employee benefits expense as per note 33	35,641.05	33,048.96
Employee benefits expense (one-time discretionary loyalty bonus) as per note 36.2	3,354.40	-
Total	38,995.45	33,048.96

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest cost on financial liabilities measured at amortised cost	1,537.40	399.77
Interest on lease	72.12	102.31
Interest others	15.69	-
Other borrowing costs (bank charges / fees, etc.)	106.04	108.45
Total	1,731.25	610.53

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Impairment of other financial asset		
Inter corporate deposits & interest thereon (refer note 8.1)	341.72	236.76
Investments in equity instruments of associates (refer note 6.3)	-	487.13
Total	341.72	723.89

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Consumption of Stores and Spares	1,940.38	2,471.30
Power and Fuel	10,284.34	7,804.63
Rent	85.58	191.95
Insurance	1,151.14	1,075.20
Repairs:		
Plant and Machinery	1,471.21	1,495.60
Buildings	368.38	398.57
Others	3,706.30	3,378.22
Rates and Taxes	652.99	360.44
Advertising and sales promotion	1,174.58	1,441.22
Travelling and Conveyance	538.79	312.19
Freight outward	11,586.67	10,412.54
Directors' sitting fees	48.50	47.00
Commission on sales	194.43	214.00
Legal & Professional Expenses	2,181.07	2,172.54
Loss on discard / sale of property, plant and equipment (net)	-	23.43
Contribution towards Corporate Social Responsibility	28.00	63.22
Establishment and Administrative Expenses (refer note 36.1)	12,369.96	12,486.29
Total	47,782.32	44,348.34

36.1 Establishment and Administrative Expenses includes following major expenses :

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Research and Development expenditure (Material, services, accessories, etc.)	2,639.39	3,375.64
Bio Equivalence Studies	648.22	608.79
Lab related expenses (Glass apparatus, chemicals, accessories, etc.)	1,838.81	1,701.25
Regulatory Fees	2,087.32	1,820.40

36.2 Exceptional Items - Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Net (Gain) / Loss on disposal of investment (refer note 36.2.1)	502.24	-
Employee benefit expense (one-time discretionary loyalty bonus)	3,354.40	-
Total	3,856.64	-

36.2.1 Net loss of ₹ 502.24 Lakhs (P.Y. Nil) on disposal of investment in Optimus Drugs Private Limited ("Optimus") of 7,29,849 equity shares out of new equity shares of Optimus (received on conversion of Compulsory Convertible Preference Shares which were issued during the year). The gain / loss is determined after reducing from sale proceeds fair value of bonus equity shares and related transaction cost incurred on such sale. Also refer note 12.1.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A (i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	224.63	(323.91)
Equity instruments through other comprehensive income	1,586.82	7,646.40
(ii) Income tax relating to items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	-	(24.58)
Equity instruments through other comprehensive income (net)	2,061.22	(1,760.71)
B (i) Items that will be reclassified to profit or loss		
Exchange difference in translating the financial statements of foreign operations	719.82	(162.15)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
Total	4,592.49	5,375.05

37.1 The net gain of ₹ 1,586.82 Lakhs (P.Y. Nil) (before related taxes thereon) on disposal of equity shares of Optimus which was accounted under 'Fair value through Other Comprehensive Income' category. Also refer note 12.1 & 12.2.

A. Matters considered as contingent liability

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
(i) Claims not acknowledged as debts*.	1,847.64	1,940.33
(ii) Fine imposed by European Commission (refer note no. 39)	12,523.87	11,818.62
(iii) Other money for which the Group is contingently liable	41.08	71.89
(iv) Other bank guarantees	691.52	708.52
Total	15,104.11	14,539.36

* includes ₹ 85.32 Lakhs (P.Y ₹ 89.25 Lakhs) sales tax refund amount kept on hold, amount paid under protest / deposit made pending adjudication under Finance Act, 1994, Central Excise Act, 1944 and respective State VAT Acts.

Future cash outflow, if any, will be based on the outcome of the appeals / writ petition in case of disputed (a) statutory dues (b) claims from regulatory authorities and (c) European Commission matter (as elaborated in note 39 below). The Group does not expect any cash outflow in other matters mentioned above.

B Other liabilities which are remote in nature

- (i) Claims made by the parties and ex-employees whose services have been terminated in earlier years are not acknowledged as debts. The matters are frivolous and are disputed under various forums. However in the opinion of the management, these claims are not tenable.
- (ii) The Holding Company is involved in certain intellectual property claims / legal proceedings filed against it by the innovators which are considered to be normal to its business. These proceedings are pending before different authorities / courts. The outcome from these claims are uncertain due to a number of factors involved in legal trial. Often, these issues are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss is difficult to ascertain. Although there can be no assurance regarding the outcome of any of the intellectual property claims / legal proceedings referred to in this note, the Holding Company does not expect such liabilities to be significant.
- (iii) The Holding Company has filed rectification letters in respect of certain income-tax refunds which have been withheld by the department. The Holding Company is of the view that once the rectification letters are processed by the department, the refunds will be received by the Holding Company.
In respect of matters stated in B (i) to (iii), the possibility of any liability devolving on the Holding Company is remote and hence no disclosure as contingent liability is considered necessary.

39 On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd. ("Niche") contending that they had acted in breach of EU competition law as Niche had, in early 2005 (when the Company was only a part owner and financial investor in Niche) agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company and Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited. The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and fine imposed by the EU of Euro 13.96 million (equivalent to ₹ 12,523.87 Lakhs (P.Y. ₹ 11,818.62 Lakhs)) is continued to be disclosed under contingent liability.

On the above matter, the auditors of the Niche have given a qualified opinion in their audit report and the statutory auditors of the Company have reported the said qualification in their audit report on the Statement for the year ended 31st March, 2023. The above matter was also qualified in the audit reports issued by Niche auditor and statutory auditors of the Company for the year ended 31st March, 2022.

- 40 (a) Estimated amount of Contracts remaining to be executed (Net of Advances) on Capital account of ₹ 7,066.15 Lakhs (P.Y. ₹ 13,394.57 Lakhs) and on other purchase orders of ₹ 21,222.67 Lakhs (P.Y. ₹ 21,147.99 Lakhs) are not provided for.
- (b) The Holding Company has imported goods under the advance authorisation scheme / export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate and has availed packing credit against the export orders. These benefits are subject to future exports. Such pending export obligations at year end aggregate to ₹ 33,091.46 Lakhs (P.Y. ₹ 26,416.65 Lakhs).
- (c) The Holding Company's intention is to continue to provide financial support to its subsidiaries [Niche Generics Ltd, Unichem Laboratories Ltd (Ireland) and Unichem Farmaceutica Do Brasil Ltda]. Further, pending outcome of the appeal in respect of European Commission matter (refer note 39), the Company will consider all available options to assist the subsidiary.

41 Credit facilities and term loan facility from Kotak Mahindra Bank availed by the Holding Company and / or its subsidiary, Niche Generics Limited (United Kingdom), are secured by first and exclusive mortgage charge on immovable property being industrial land and building known as Unichem Laboratories Limited on plot bearing CTS No. 510 of village Oshiwara and CTS No.1 of village Majas, Prabhat Estate, Off. S. V. Road, Patel Engineering Road, Jogeshwari (West), Mumbai 400 102 and first and exclusive hypothecation charge on movable property, plant and equipment and mortgage charge on immovable properties being Industrial land and building at Goa. During the financial year ended 31st March, 2023, the Company has created the mortgage charge on immovable properties at Goa towards credit facilities and term loan facility availed from Kotak Mahindra Bank.

Further credit facilities from Citibank, N.A. availed by the Holding Company, are secured by way of first and exclusive charge on pledge against investments in mutual funds to the extent of ₹ 124.79 Lakhs (P.Y. ₹ 3,762.79 Lakhs). Additionally, credit facilities availed by the Holding Company from Bank of India, Axis Bank and HDFC Bank are secured against hypothecation of stock and debtors.

Additionally, all credit facilities have been registered with Registrar of Companies (ROC) within the prescribed due date.

Particulars	(₹ in Lakhs)	
	2022-2023	2021-2022
i) Power & fuel	-	685.64
ii) Payroll expenses	-	669.61
iii) Freight	-	0.56
iv) Insurance	11.41	7.29
v) Travelling expenses	-	1.62
vi) Rent, Rates & Taxes	-	3.47
vii) Depreciation	-	44.46
viii) R&D Chemicals	-	323.29
ix) Administrative expenses	-	205.34
x) Professional fees	-	62.62
xi) Interest	-	246.68
Total	11.41	2,250.58

The Holding Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Holding Company. The Holding Company manages currency risk as per trends and experiences. The Holding Company uses forward exchange contracts to hedge against its foreign currency exposures relating to export receivables. The Holding Company does not enter into any derivative instruments for trading or speculative purposes.

Fair Value Hedge

Hedging Instrument and Hedge Item :

(₹ in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March, 2023		Changes in amount of fair value	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign currency risk Trade Receivables hedged by Forward Contracts	14,449.34	14,518.60	-	69.25	April 2023 to September 2023	Other Financial Assets

Hedging Instrument and Hedge Item :

(₹ in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March, 2022		Changes in amount of fair value	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign currency risk Trade Receivables hedged by Forward Contracts	12,523.32	12,492.43	-	(30.89)	April 2022 to August 2022	Other Financial Liability

- i) The following are the outstanding forward contracts:

Currency	Buy / Sell	In Foreign Currency (in lakhs)		₹ in Lakhs	
		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
		USD	Sell	174.38	164.60

ii) Foreign Currency exposure not hedged by forward contracts are given below :

Particulars	In Foreign Currency (in lakhs)		₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
A) Trade Receivables and Vendor advances				
Euro	26.84	41.61	2,397.03	3,498.07
USD	104.21	123.23	8,555.67	9,331.30
Others (CAD, GBP, ZAR & CHF)			78.21	177.39
B) Trade Payables and Customer advances				
Euro	5.90	12.71	529.21	1,075.72
USD	45.34	40.91	3,736.61	3,116.94
Others (GBP & ZAR)			3.04	15.92
C) Borrowings				
USD (PCFC loan)	15.00	15.00	1,236.30	1,142.85

The Group's Chief operating decision maker is Chairman & Managing Director and the Group has only one reportable segment i.e. Pharmaceuticals. It is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance. The risk, returns and internal business reporting systems are related to the one segment only.

Entity-wide disclosures:

(i) Revenues from sale of products from external customers :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
India	3,221.13	4,125.20
Outside India	1,27,020.88	1,20,673.00
USA	78,558.46	73,429.45
Others	48,462.42	47,243.55
Total	1,30,242.01	1,24,798.20

Revenue from external customers is allocated based on the location of the customer.

(ii) Details of Products Sold:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Formulations	1,15,824.98	1,09,687.82
Bulk Drugs and Chemicals	14,417.03	15,110.38
Total	1,30,242.01	1,24,798.20

(iii) Non-current assets:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
India	1,55,062.05	1,62,154.06
Outside India		
USA	986.77	909.94
Others	3,041.10	3,510.02
Total	1,59,089.92	1,66,574.02

(iv) **Major customers:** During the year, the Group has only one external customer based in USA amounting to ₹ 19,506.74 Lakhs (15%) which accounts for more than 10% of the Group's total revenue for the year ended 31st March, 2023. In previous year, the Group had only one external customer based in USA amounting to ₹ 24,207.46 Lakhs (19.43%) which accounts for more than 10% of the Group's total revenue for the year ended 31st March, 2022.

Disclosure of related parties / related party transactions pursuant to Ind AS 24 'Related Party Disclosure'.

a) **List of related parties**

<p>(i) Enterprises under significant influence of key management personnel as defined in (ii): (disclosed to the extent of transactions)</p> <p>Uni - Distributors Pvt. Ltd. Adiwasi Unnati Mandal Uni Trust Prakash Amrut Mody - Suparna Mody (Promoter Trust) Prakash Amrut Mody - Supriya Mody (Promoter Trust) Prakash Amrut Mody - Shwetambari Mody (Promoter Trust) Also Refer note (f)</p>	<p>(ii) Key management personnel and their relatives: (disclosed to the extent of transactions)</p> <p>Dr. Prakash A. Mody (Chairman & Managing Director - CMD, Promoter) Mrs. Anita Mody (Spouse of CMD) Ms. Supriya Mody (Daughter of CMD) (upto 15th May, 2023) Ms. Suparna Mody (Daughter of CMD) Mr. Dilip J. Kunkolienkar (Director - Technical)</p>
<p>(iii) Independent Directors:</p> <p>Dr. (Mrs.) B. Kinnera Murthy (upto 20th March, 2023) Mr. Anand Y. Mahajan Mr. Prafull Anubhai Mr. Prafull D Sheth Ms. Priti Puri (w.e.f 21st March, 2023)</p>	<p>(iv) Post-employment benefit plans:</p> <p>Unichem Laboratories Ltd.-Employees Gratuity Fund Unichem Laboratories Ltd.-Employees Superannuation Fund</p>
<p>(v) Key management personnel and their relatives as per Companies Act, 2013.</p> <p>Mr. Pradeep Bhandari (Head- Legal & Company Secretary) Mr. Sandip Ghume (Dy. Chief Financial Officer)</p>	

b) Disclosure of related party transactions :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
i) Rent & Maintenance Paid (excluding indirect taxes) Relative of Key Management Personnel Mrs. Anita Mody Enterprise under significant influence of Key Management Personnel Uni - Distributors Pvt. Ltd. Uni Trust	16.53 14.15 9.00 39.68	18.05 12.86 9.00 39.91
ii) Managerial remuneration (including defined contribution plan) Key Management Personnel Dr. Prakash A. Mody Mr. Dilip J. Kunkolienkar	592.35 239.23 831.58	555.28 196.43 751.71
iii) Salary (including defined contribution plan) Relative of Key Management Personnel Ms. Supriya Mody	107.93 107.93	93.86 93.86
iv) Dividend Paid Key Management Personnel & Relatives Dr. Prakash A. Mody Mrs. Anita Mody Ms. Supriya Mody Ms. Suparna Mody Mr. Dilip J. Kunkolienkar Prakash Amrut Mody - Suparna Mody (Promoter Trust) Prakash Amrut Mody - Supriya Mody (Promoter Trust) Prakash Amrut Mody - Shwetambari Mody (Promoter Trust)	1,299.98 52.94 38.00 38.00 3.02 2.08 1.80 1.65 1,437.47	1,299.98 52.94 38.00 38.00 3.02 2.08 1.80 1.65 1,437.47
Independent Directors Mr. Anand Y. Mahajan Mr. Prafull Anubhai Mr. Prafull D. Sheth	0.60 0.03 0.30 0.93	0.60 0.03 0.30 0.93
v) Sitting Fees Independent Directors Dr. (Mrs.) B. Kinnera Murthy Mr. Anand Y. Mahajan Mr. Prafull Anubhai Mr. Prafull D. Sheth	9.50 12.00 13.50 13.50 48.50	12.00 10.50 13.00 11.50 47.00
vi) Corporate Social Responsibility Enterprise under significant influence of Key Management Personnel Adiwasi Unnati Mandal	5.00 5.00	- -

c) Disclosure of related party balances :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
i) Deposits paid Relative of Key Management Personnel Mrs. Anita Mody Enterprise under significant influence of Key Management Personnel Uni - Distributors Pvt. Ltd. Uni Trust	45.90 5.00 2.25 53.15	45.90 5.00 2.25 53.15
ii) Other Current Liabilities Key Management Personnel Dr. Prakash A. Mody	72.59 72.59	66.23 66.23
iii) Sitting Fees Payable Dr. (Mrs.) B. Kinnera Murthy Mr. Anand Y. Mahajan Mr. Prafull Anubhai Mr. Prafull D. Sheth	- - - - -	0.90 0.90 0.90 1.35 4.05

d) Contribution to post employment benefit plan :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Post-employment benefit plans		
Unichem Laboratories Ltd. - Employees Gratuity Fund	250.00	-
Unichem Laboratories Ltd. - Employees Superannuation Fund	106.94	101.01
	356.94	101.01

e) Following are Key Management Personnel (not covered above) in accordance with provisions of the Indian Companies Act, 2013. Details of transactions and balances are below :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
i) Salary (including defined contribution plan)		
Key Management Personnel		
Mr. Pradeep Bhandari	96.60	92.60
Mr. Sandip Ghume	107.45	98.86
	204.05	191.46
ii) Other Current Liabilities		
Key Management Personnel		
Mr. Pradeep Bhandari	-	-
Mr. Sandip Ghume	-	-
	-	-

Notes related to (a) to (e)

- Number of options pending to be exercised by Mr. Dilip Kunkolienkar as on 31st March, 2023 are 2,46,176 (P.Y. 2,46,176). However, the options were surrendered subsequent to the year ended 31st March, 2023. Also refer note 19.2.
- Key Managerial Personnel and their Relatives who are under the employment of the Holding Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above. Further, it also does not include actual payments of gratuity and leave encashment. Also, reimbursement of expenses to KMP and their relatives are not included above.
- Related party contracts / arrangements have been entered in ordinary course of business and are approved by the board of directors / shareholders as applicable.

f) In view of the Management, equity Investment in Synchron Research Services Pvt Ltd will not result in the investee company becoming a related party since there is no control / influence over operations :**The summary of transactions with Synchron Research Services Pvt. Ltd. are as follows (also refer note 6.3):** (₹ in Lakhs)

Particulars	2022-2023	2021-2022
Research & Development Expenditure (Bio-equivalence studies)	-	-
Rent Income (net of indirect tax)	-	30.75
Deposit received	-	-
Capital Goods Purchased	-	461.14

Particulars			2022-2023	2021-2022
Weighted average number of equity shares for basic EPS	(A)	Nos	7,04,05,750	7,04,05,750
Add : Potential equity shares on exercise of option of ESOP			-	1,73,383
Weighted average number of equity shares for diluted EPS	(B)	Nos	7,04,05,750	7,05,79,133
Face value of equity share (Fully Paid)		₹	2.00	2.00
Profit/(loss) attributable to equity shareholders for basic & Diluted EPS	(C)	₹ lakhs	(20,222.76)	3,306.17
Earnings per equity share				
Basic	(C/A)	₹	(28.72)	4.70
Diluted	(C/B)	₹	(28.72)	4.68

Note: In respect of current year, ESOPs are anti-dilutive and therefore, not considered for calculation of diluted earning per share. Also refer note 19.2. In respect of previous year, potential equity shares in the form of ESOPs have average market price greater than exercise price and hence, it has dilutive effect.

- The Subsidiaries (Niche Generics Ltd., Unichem Laboratories Ltd. (Ireland) and Unichem Farmaceutica Do Brasil Ltda) have accumulated losses which have been considered for the purpose consolidated financial statements. The standalone financial statements of these subsidiaries have been prepared on a going concern basis considering the continuous financial support from the Holding Company to its subsidiaries. Management of the Holding Company is of the view that performance of the subsidiaries is improving and will turnaround.

Disclosure as per Ind AS 116 'Leases' is as given below. Also, refer note 2.18 and 4.

As a Lessee

- The Holding Company has obtained certain equipment under non-cancellable lease agreements for the period of 36 months which are subject to renewal at mutual consent. For such leases with lower underlying value asset, the Holding Company has applied the 'low value asset' recognition exemption. The expenses charged to the statement of profit & loss in current year is ₹ 32.58 Lakhs (P.Y. ₹ 30.43 Lakhs) and is grouped under note 36 (establishment and administrative expenses).

(₹ in Lakhs)

The details of outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows	2022-2023	2021-2022
Lease payment not later than one year	10.66	22.60
Lease Payment later than one year and not later than five years	2.52	1.24
Lease Payment later than five years	-	-
Total	13.18	23.84

b) The Holding Company has taken flats / office premises, vehicles and other machinery on cancellable operating leases. There are no restrictions imposed by lease arrangements. For such lease arrangement with lease terms of 12 months or less, the Holding Company has applied the 'short-term lease' recognition exemptions. There are no sub-leases. The deposit amount are refundable on completion / cancellation of lease term. The aggregate lease rentals charged as lease rent to the statement of profit and loss in current year is ₹ 132.15 Lakhs (P.Y. ₹ 109.30 Lakhs) and is grouped under note 36 (rent and establishment & administrative expenses).

c) Disclosure with respect to lease under Ind AS - 116 leases:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Interest expense on lease liabilities (Refer note 34)	72.12	102.31
Lease expenses in case of short term leases (Refer note 48 (b))	132.15	109.30
Lease expenses in case of low value leases (other than short term as disclosed above) (Refer note 48 (a))	32.58	30.43
Lease payments debited to lease liabilities	267.88	382.57
Total cash outflow for leases [including short term and low value leases]	504.73	624.61
Additions to ROU assets	150.68	2,390.25

d) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2023 and 31st March, 2022 on an undiscounted basis:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Lease payment not later than one year	574.85	492.40
Lease Payment later than one year and not later than five years	769.51	1,019.19
Lease Payment later than five years	1,942.81	2,015.62
Total	3,287.17	3,527.21

e) The right-of-use asset is depreciated using the straight-line method (SLM) from the commencement date over the lease term of right-of-use asset. For details of addition, depreciation and carrying amount of right of use asset (refer note 4).

The Holding Company has a defined benefit gratuity plan. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Other long term benefits comprises of leave entitlements and long term bonus to the employees. Leave entitlements benefits is partly funded by the Holding Company.

Bifurcation of liability including short-term leave benefits as per Schedule III of the Indian Companies Act 2013:

(₹ in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Current Liability	Non-Current Liability	Net Liability	Current Liability	Non-Current Liability	Net Liability
Gratuity	443.02	1,350.65	1,793.67	439.57	1,288.14	1,727.71
Leave entitlements	518.21	2,786.20	3,304.41	503.57	2,527.99	3,031.56
Long term Bonus	190.22	53.84	244.06	610.83	180.04	790.87
Net Liability	1,151.45	4,190.69	5,342.14	1,553.97	3,996.17	5,550.14

The principal assumptions used in determining gratuity benefit obligations for the Holding Company's plans are shown below:

Particulars	Gratuity	
	2022-2023	2021-2022
Discount rate	7.40%	6.70%
Salary growth rate	9.00%	9.00%
Expected rate of return on Plan assets	7.40%	6.70%
Withdrawal rate	15% at younger ages reducing to 2% at older ages	15% at younger ages reducing to 2% at older ages

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discounting rate is based on material yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations. The overall expected rate of return on assets is based on the LIC structure of interest rates on gratuity funds.

The following tables summarise the funded status and amounts recognised in the balance sheet for gratuity.

Funded status of the plan :

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2023	As at 31st March, 2022
Present value of funded obligations	3,827.27	3,508.69
Fair value of plan assets	2,033.59	1,780.98
Net Liability (Asset)	1,793.68	1,727.71

Amount charge to statement of Profit and loss:

(₹ in Lakhs)

Particulars	Gratuity	
	2022-2023	2021-2022
Current service cost	439.57	372.10
Net interest cost	101.03	50.12
Total Charge to statement of P&L (included in employee benefit expense)	540.60	422.22

Amount charged to Other Comprehensive Income:

(₹ in Lakhs)

Particulars	Gratuity	
	2022-2023	2021-2022
Components of actuarial gain/(loss) on obligations:		
Due to Change in financial assumptions	(178.81)	(97.06)
Due to change in demographic assumption	-	-
Due to experience adjustments	65.67	456.39
Return on plan assets excluding amounts included in interest income	(111.49)	(35.42)
Amounts recognised in Other Comprehensive Income	(224.63)	323.91

Reconciliation of defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity	
	2022-2023	2021-2022
Opening Defined Benefit Obligation	3,508.69	2,816.52
Current service cost	439.57	372.10
Interest cost	198.89	148.05
Actuarial loss/(gain) due to change in financial assumptions	(178.81)	(97.06)
Due to change in demographic assumption	-	-
Actuarial loss/ (gain) due to experience adjustments	65.67	456.39
Benefits paid	(206.73)	(187.31)
Closing Defined Benefit Obligation	3,827.28	3,508.69

Reconciliation of plan assets:

(₹ in Lakhs)

Particulars	Gratuity	
	2022-2023	2021-2022
Opening value of plan assets	1,780.99	1,834.95
Interest Income	97.85	97.93
Return on plan assets excluding above	111.49	35.42
Contributions by employer	250.00	-
Benefits paid	(206.73)	(187.31)
Closing value of plan assets	2,033.60	1,780.99

Sensitivity analysis:

Assumptions	Change in assumptions		Increase/(decrease) in defined benefit obligation	
	Increase/decrease	Percentage	2022-2023	2021-2022
Discount rate	Increase by	0.5%	-3.07%	-3.24%
	Decrease by	0.5%	3.29%	3.48%
Salary growth rate	Increase by	0.5%	3.22%	3.39%
	Decrease by	0.5%	-3.04%	-3.19%
Withdrawal rate	Increase by	10%	-0.64%	-0.93%
	Decrease by	10%	0.69%	1.01%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

These plans typically expose the Holding Company to actuarial risks such as: actuarial risk, investment risk, liquidity risk, market risk and legislative risk.

Actuarial Risk:

It is the risk that arises if benefits cost more than expected due to various reasons such as adverse salary growth experience, variability in mortality rates and withdrawal rates.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Liquidity risk:

A strain on the cash flows might occur on resignation / retirement of employees with high salaries and long duration or at a higher level hierarchy who accumulate significant benefits.

Market risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. This risk might be significant in case of discount rate assumptions as this assumption may vary depending on the yields on the corporate / government bonds and hence, the valuation of liability might be exposed to fluctuations in the yields as at the valuation date.

Legislative risk:

Risk that arises due to change in legislation / regulation that can result in the risk of increase in the plan liabilities or reduction in the plan assets which will directly have an affect on the defined benefit obligation.

Expected contribution and weighted average duration for defined benefit obligation

Particulars	2022-2023	2021-2022
Expected contribution for the next year (₹ lakhs)	443.02	439.57
Weighted average duration for defined benefit obligation (years)	6.22	6.31

Asset-liability matching strategies

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

(i) During the year ended 31st March, 2023 the Holding company has share-based payment arrangements which are described below:

Type of arrangement	ESOP 2018
	Senior Management stock option scheme - I
Date of Grant	06.08.2018
Number granted	15,12,224
Contractual life	3-5 Years
Vesting condition	As decided by Board/ Compensation Committee based on various factors

(ii) Summary of stock option are as follows:

Particulars	ESOP 2018	
	2022-2023	2021-2022
Option outstanding at the beginning of the year (Nos.)	15,12,224	15,12,224
Granted during the year (Nos.)	-	-
Exercised during the year (Nos.)	-	-
Lapsed during the year (Nos.)	-	-
Option outstanding at the end of the year (Nos.) (refer note 19.2)	15,12,224	15,12,224
Vested and exercisable at the end of the year (Nos.)		
Weighted Average Exercise Price (₹)	250	250
Weighted Average Fair Value of Option at the measurement date * (₹)	80	80

* Fair value calculated based on Black & Scholes option pricing model

(iii) Share options outstanding at the end of year have the following expiry dates and exercise prices

Grant Date	Expiry Date	Scheme Name	Exercise price (₹)	No. of ESOPS	
				2022-2023*	2021-2022
6th Aug, 2018	30th June, 2024	ESOP 2018	250	7,56,112	7,56,112
6th Aug, 2018	30th June, 2024	ESOP 2018	250	7,56,112	7,56,112
Total				15,12,224	15,12,224

* Also refer note 19.2 about surrender of outstanding ESOP subsequent to the year ended 31st March, 2023.

(iv) Expense arising from share-based payment transactions

Expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Employee stock option plan	104.93	284.84
Total	104.93	284.84

i) Total Research and Development expenditure including amount incurred at units approved by Department of Scientific & Industrial Research :

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Materials	3,312.34	3,866.31
Salaries, wages and Ex-gratia	3,740.24	3,229.21
Contribution to Provident fund and other Funds	221.99	203.32
Employee's welfare expenses	60.51	63.93
Rent	15.60	14.45
Insurance	44.85	39.61
Rates and Taxes	14.11	19.72
Repairs:		
Plant and machinery	88.00	102.34
Others	243.67	265.31
Power and fuel	386.07	379.70
Travelling and conveyance	40.57	32.65
Legal & Professional Expenses	233.51	463.83
Others (depreciation, bioequivalence studies, etc.)	2,538.35	2,593.72
Total	10,939.81	11,274.10

ii) Research and Development expenditure at units approved by Department of Scientific & Industrial Research included in Total Research and Development expenditure (Refer note - 51 (i))

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Materials	2,416.94	3,005.50
Salaries, wages and Ex-gratia	3,654.79	3,118.78
Contribution to Provident fund and other Funds	219.94	199.98
Employee's welfare expenses	59.59	63.08
Rent	15.60	14.45
Insurance	35.06	30.05
Rates and Taxes	14.11	19.37
Repairs:		
Plant and machinery	83.63	94.95
Others	230.99	249.37
Power and fuel	330.33	302.80
Travelling and conveyance	40.57	32.65
Legal & Professional Expenses	233.50	463.80
Others (depreciation, bioequivalence studies, etc.)	2,102.13	2,183.28
Total	9,437.18	9,778.06

i) The carrying value and fair value of financial instruments by category is as follows :

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:*				
Amortised cost				
Cash and cash equivalents	3,371.68	3,371.68	2,536.92	2,536.92
Other bank balances	161.07	161.07	490.59	490.59
Trade receivables	58,862.17	58,862.17	49,543.31	49,543.31
Loans	18.38	18.38	16.83	16.83
Other Financial Assets	733.00	733.00	868.13	868.13
Fair value through profit or loss				
Investments in mutual funds and bonds (including Cash and cash equivalents)	15,157.10	15,157.10	12,145.50	12,145.50
Investments in equity instruments	16.09	16.09	28.47	28.47
Derivative Instruments	69.26	69.26	-	-
Fair value through OCI				
Investments in equity instruments	-	-	22,595.23	22,595.23
Total	78,388.75	78,388.75	88,224.98	88,224.98
Financial liabilities :				
Amortised cost				
Borrowings	29,739.25	29,739.25	33,036.24	33,036.24
Lease liabilities	1,665.26	1,665.26	1,878.96	1,878.96
Trade payables	29,068.60	29,068.60	18,318.70	18,318.70
Other financial liabilities	4,561.86	4,561.86	5,221.97	5,221.97
Fair value through profit or loss				
Derivative Instruments	-	-	30.89	30.89
Total	65,034.97	65,034.97	58,486.76	58,486.76

* excluding financial assets measured at cost

ii) Fair value hierarchy

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3: Valuation techniques for which lowest level input that is significant to the fair value measurement is directly or indirectly unobservable;

The following tables categorise the financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

Fair value hierarchy as at 31st March, 2023

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments	14.09	-	2.00	16.09
Investments in mutual funds	15,157.10	-	-	15,157.10
Derivative Instruments (gain) / loss	-	(69.26)	-	(69.26)

Fair value hierarchy as at 31st March, 2022

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments	26.47	-	22,597.23	22,623.70
Investments in mutual funds & bonds	12,145.50	-	-	12,145.50
Financial Liabilities				
Derivative Instruments (gain) / loss	-	30.89	-	30.89

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis:

Investment in mutual funds :

The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments :

- Equity investments traded in an active market determined by reference to their quoted market prices.
- Investments which are designated through other comprehensive income are fair valued and the changes in fair value is recognised in other comprehensive income. There are no gains / losses from such investments.

Derivative instruments :

For forward contracts and cross currency interest rate swaps, future cash flows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates and forward interest rates, discounted at a rate that reflects the credit risk of respective counterparties.

The Group's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

Market risk:

Market risk refers to the possibility that changes in the market rates may have impact on the Group's profits or the value of its holding of financial instruments. The Group is exposed to market risks on account of foreign exchange rates, interest rates and underlying equity prices.

Foreign currency exchange rate risk:

The Group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries and foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Since a major part of the group's operating revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the group's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the group are denominated in USD & EURO. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The group hedges all trade receivables upto a maximum of 6 months forward based on historical trends. Hedge effectiveness is assessed on a regular basis.

The following table sets forth information relating to foreign currency exposure from USD, EURO and other currencies (which are not material) form non-derivative financial instruments:

As at 31st March, 2023	USD	Euro	Others*	Total
Assets				
Trade Receivables and vendor advances	23,074.27	2,397.03	78.21	25,549.51
Total	23,074.27	2,397.03	78.21	25,549.51
Liabilities				
Trade Payables and customer advances	3,736.61	529.21	3.04	4,268.86
Borrowings	1,236.30	-	-	1,236.30
Total	4,972.91	529.21	3.04	5,505.16
Net Assets / Liabilities	18,101.36	1,867.82	75.17	20,044.35

* Others mainly include currency namely GBP, ZAR, CAD & CHF

(₹ in Lakhs)

As at 31st March, 2022	USD	Euro	Others**	Total
Assets				
Trade Receivables and vendor advances	21,823.73	3,498.07	177.39	25,499.19
Total	21,823.73	3,498.07	177.39	25,499.19
Liabilities				
Trade Payables and customer advances	3,116.94	1,075.72	15.92	4,208.58
Borrowings	1,142.85	-	-	1,142.85
Total	4,259.79	1,075.72	15.92	5,351.43
Net Assets / Liabilities	17,563.94	2,422.35	161.47	20,147.76

** Others mainly include currency namely GBP, ZAR & CAD

(₹ in Lakhs)

Sensitivity analysis

Particulars	Foreign Currency Sensitivity					
	As at 31st March, 2023			As at 31st March, 2022		
	USD	Euro	Others	USD	Euro	Others
1% Appreciation in INR Impact on Profit & Loss	(181.01)	(18.68)	(0.75)	(175.64)	(24.22)	(1.61)
1% Depreciation in INR Impact on Profit & Loss	181.01	18.68	0.75	175.64	24.22	1.61

Interest Rate Risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates and where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments or borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Holding Company adopts a policy of ensuring that maximum of its interest rate risk exposure is at a fixed rate and there are no financial instruments with floating interest rates.

Credit risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, investments and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Holding Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Holding Company grants credit terms in the normal course of business. The Holding Company uses expected credit loss model to assess the impairment loss or gain. The Holding Company uses a provision matrix to compute the expected credit loss allowance for trade receivables (other than from subsidiaries) and unbilled revenues. The Holding Company does not have significant concentration of credit risk related to trade receivables. In the current year, there are two external third party customer which contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as of 31st March, 2023. In previous year, there were two external third party customers which contributed to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries). (refer note 39)

The Holding Company limits its exposure to credit risk by generally investing in liquid securities having and only with counterparties that have a good credit rating. The Holding company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

None of the financial instruments of the Holding Company result in material concentration of credit risk. Geographic concentration of credit risk relating to trade receivable (other than subsidiaries) is predominantly there in USA i.e. above 10% and less than 10% in other countries. Refer note no. 13 for movement in expected credit loss allowance.

Liquidity risk:

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

(₹ in Lakhs)			
As at 31st March, 2023	In 1 year	More than 1 year	Total
Trade Payable	29,068.60	-	29,068.60
Borrowings	23,374.35	6,364.90	29,739.25
Lease liabilities	515.95	1,149.31	1,665.26
Other financial liabilities	4,561.86	-	4,561.86
Total	57,520.76	7,514.21	65,034.97

(₹ in Lakhs)			
As at 31st March, 2022	In 1 year	More than 1 year	Total
Trade Payable	18,318.70	-	18,318.70
Borrowings	24,135.18	8,901.06	33,036.24
Lease liabilities	421.84	1,457.12	1,878.96
Other financial liabilities	5,252.86	-	5,252.86
Total	48,128.58	10,358.18	58,486.76

Capital Management

Equity share capital and other equity (other than ESOP Reserve and Other comprehensive income) are considered for the purpose of Group's capital management (refer Statement of Changes in Equity of consolidated financial statement). There are no externally imposed capital requirements on the Group. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Group is predominantly equity financed. Further, the Group's current assets has always been higher than the liabilities. Also current assets includes cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of borrowings / debt.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2023 and 31st March, 2022.

(a) As at and for the year ended 31st March, 2023

Name of the Entity	Net Assets, i.e., 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	₹ in Lakhs	As % of consolidated profit or loss	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs	As % of consolidated total comprehensive income	₹ in Lakhs
Parent								
Unichem Laboratories Ltd.	97.9%	2,38,427.06	148.2%	(29,970.15)	84.3%	3,872.67	167.0%	(26,097.48)
Subsidiaries								
Foreign								
Niche Generics Limited.	-0.4%	(931.48)	4.7%	(957.21)	-1.0%	(46.24)	6.4%	(1,003.46)
Unichem SA Pty Ltd.	0.1%	322.76	-0.5%	95.34	-0.7%	(30.77)	-0.4%	64.57
Unichem Farmaceutica Do Brasil Ltda	-0.3%	(819.72)	-1.3%	263.67	0.0%	(0.52)	-1.7%	263.15
Unichem Pharmaceuticals (USA) Inc.	7.9%	19,319.36	-4.6%	938.97	31.7%	1,457.47	-15.3%	2,396.44
Unichem Laboratories Limited. (Incorporated in Ireland)	-0.1%	(158.53)	-0.1%	17.09	-0.2%	(8.59)	-0.1%	8.51
Unichem (China) Pvt Ltd.	0.1%	152.76	0.9%	(178.91)	-0.1%	(4.09)	1.2%	(182.99)
Associate								
Synchron Research Pvt Ltd	-	-	-	-	-	-	-	-
Consolidation Adjustments	-5.2%	(12,781.80)	-47.3%	9,568.44	-7.7%	(647.44)	65.1%	8,921.00
Total	100%	2,43,530.41	100%	(20,222.76)	100%	4,592.49	100%	(15,630.26)

Note:

- The amounts given in the table above are from the annual accounts made for the financial year ended 31st March, 2023 for each of the companies.
- The Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31st March, 2023.

(b) As at and for the year ended 31st March, 2022

Name of the Entity	Net Assets, i.e., 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	₹ in Lakhs	As % of consolidated profit or loss	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs	As % of consolidated total comprehensive income	₹ in Lakhs
Parent								
Unichem Laboratories Ltd.	102.0%	2,67,204.09	-167.7%	(5,542.96)	103.0%	5,537.20	-0.1%	(5.76)
Subsidiaries								
Foreign								
Niche Generics Limited.	0.0%	71.97	-12.7%	(420.63)	0.0%	1.19	-4.8%	(419.44)
Unichem SA Pty Ltd.	0.1%	258.20	3.7%	123.01	0.2%	11.02	1.5%	134.03
Unichem Farmaceutica Do Brasil Ltda	-0.4%	(1,082.86)	7.9%	259.77	-4.3%	(231.34)	0.3%	28.43
Unichem Pharmaceuticals (USA) Inc . Unichem Laboratories Limited. (Incorporated in Ireland)	6.5%	16,891.13	97.8%	3,232.78	8.7%	468.84	42.6%	3,701.62
Unichem (China) Pvt Ltd.	-0.1%	(167.04)	-3.7%	(122.77)	0.1%	3.23	-1.4%	(119.54)
Unichem (China) Pvt Ltd.	0.0%	64.87	-5.4%	(178.11)	0.0%	2.32	-2.0%	(175.79)
Associate								
Synchron Research Pvt Ltd.	-	-	-3.2%	(106.10)	-	-	-1.2%	(106.10)
Consolidation Adjustments	-8.1%	(21,399.26)	183.3%	6,061.18	-7.7%	(417.41)	65.1%	5,643.77
Total	100%	2,61,841.10	100%	3,306.17	100%	5,375.05	100%	8,681.22

Note:

- The amounts given in the table above are from the annual accounts made for the financial year ended 31st March, 2022 for each of the companies.
- The Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31st March, 2022.

55 As on 31st March, 2023, the Holding Company and its subsidiaries has not been declared wilful defaulter by any bank / financial institution or other lender.

56 The Holding Company and its subsidiaries are not engaged in the business of trading or investing in crypto currency or virtual currency and hence no disclosure is required.

57 The Holding Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

58 The Holding Company has not advanced any funds or loaned or invested by the Holding Company to or in any other person(s) or entities, including foreign entities (“Intermediaries”), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Holding Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

The Holding Company has not received any funds from any person(s) or entities including foreign entities (“Funding Parties”) with the understanding that such Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

59 No proceedings have been initiated or are pending against the Holding Company as on 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

60 The Holding Company does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and hence no disclosure is required.

61 The Holding Company has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

62 There is no transaction that is not recorded in the books of accounts of the Holding Company that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Date: 23rd May, 2023

Sandip Ghume

Deputy Chief

Financial Officer

Pradeep Bhandari

Head - Legal &

Company Secretary

Dr. Prakash A. Mody

Chairman &

Managing Director

DIN.: 00001285

Dilip Kunkolienkar

Director - Technical

DIN.: 02666678

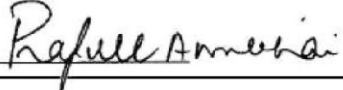
ANNEXURE I**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)**

₹ Lakhs

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023
[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]**

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,11,427.97	1,11,427.97
	2.	Total Expenditure (including exceptional items)	1,39,336.94	1,45,264.71
	3.	Net Profit / (Loss)	(29,970.19)	(35,897.96)
	4.	Earnings Per Share (Basic)	(42.57)	(50.99)
	5.	Total Assets	2,88,613.91	2,85,377.52
	6.	Total Liabilities	50,186.85	52,878.23
	7.	Net Worth	2,38,427.06	2,32,499.29
	8.	Any other financial item(s) (as felt appropriate by the management)	No	No
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	<p>On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd. ("Niche") contending that they had acted in breach of EU competition law as Niche had, in early 2005 (when the Company was only a part owner and financial investor in Niche) agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company and Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited.</p> <p>In this regard, the statutory auditors of Niche had given qualified audit opinion on the financial statements of Niche for the year ended 31st March, 2022 and continued the qualification in audit report for the year ended 31st March, 2023. They have stated that, "previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, however, following the hearing in October 2021 and their review of the available documentation, their opinion is that it is more likely than not that Niche will be liable for the fine of Euro 13.96 million (equivalent to ₹ 12,523.87 lakhs) and hence, they believe that this should be provided for in the financial statement of Niche. As per the Board of Directors of Niche, there remains an inherent uncertainty as to the outcome of the appeal and therefore, the Directors are of the opinion that no provision should be made at this point of time." The management had obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and the matter is continued to be disclosed under contingent liability.</p>			



	<p>As at year ended 31st March, 2023, the Company has aggregate financial exposure of ₹ 12,837.13 lakhs in Niche comprising of investment, trade receivable and corporate guarantee given to bank for loan availed by Niche. Considering the impact of ongoing litigation as elaborated in the above para, loss for the year and accumulated losses in Niche as at balance sheet date, the statutory auditors of the Company are of the view that the Company would need to provide for impairment on the financial exposure of ₹ 12,837.13 lakhs.</p> <p>Considering the above uncertainty in regard to ongoing litigation related to EU matter and circumstances prevailing as at the balance sheet date, such as past performance, results, accumulated losses, negative net worth, expected cash flows, the management of the Company on the basis of abundant precaution has made full provision towards impairment of long-term investment in Niche amounting to ₹ 6,909.36 lakhs, such provision is grouped under exceptional item in the Statement. Further, the management is of the view that no further provision is required for the balance financial exposure of ₹ 5,927.77 lakhs in view of the future business outlook, unless the outcome of EU matter is not in favour of the subsidiary.</p> <p>On the above matter, the auditors of the Company have given a qualified opinion in their audit report on the Statement for the year ended 31st March, 2023.</p>
	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of Qualification: Appeared for the first time in year ended 31st March, 2022
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Refer para II (a) above for the management comments.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: NA
III.	Signatories:
	<p>Dr. Prakash A. Mody (Chairman & MD)</p> <p style="text-align: right;">Prakash Amrut Mody <small>Digitally signed by Prakash Amrut Mody Date: 2023.05.23 13:09:35 +05'30'</small></p>
	<p>Mr. Sandip Ghume (Deputy CFO)</p> <p style="text-align: right;">Sandip Rajaram Ghume <small>Digitally signed by Sandip Rajaram Ghume Date: 2023.05.23 13:06:26 +05'30'</small></p>
	<p>Mr. Praful Anubhai (Chairman of Audit Committee)</p> <p style="text-align: right;"></p>
	<p>For N. A. Shah & Associates LLP Chartered Accountants (FRN: 116560W/W100149)</p> <p>Mr. Milan Mody (Partner - Statutory Auditors) Membership no. 103286</p> <p style="text-align: right;">MILAN NAVIN MODY <small>Digitally signed by MILAN NAVIN MODY Date: 2023.05.23 13:18:26 +05'30'</small></p>
	Place: Mumbai
	Date: 23rd May, 2023

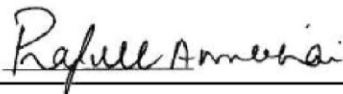
ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

₹ Lakhs

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023
[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,38,153.73	1,38,153.73
	2.	Total Expenditure (including exceptional items)	1,55,790.02	1,68,313.89
	3.	Net Profit / (Loss)	(20,222.76)	(32,746.63)
	4.	Earnings Per Share (Basic)	(28.72)	(46.51)
	5.	Total Assets	3,19,304.89	3,19,304.89
	6.	Total Liabilities	75,774.48	88,298.35
	7.	Net Worth	2,43,530.41	2,31,006.54
	8.	Any other financial item(s) (as felt appropriate by the management)	No	No
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:		
		<p>On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd. ("Niche") contending that they had acted in breach of EU competition law as Niche had, in early 2005 (when the Company was only a part owner and financial investor in Niche) agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company and Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited. The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and fine imposed by the EU of Euro 13.96 million (equivalent to ₹ 12,523.87 lakhs) is continued to be disclosed under contingent liability.</p> <p>On the above matter, the auditors of the Niche have given a qualified opinion in their audit report and the statutory auditors of the Company have reported the said qualification in their audit report on the Statement for the year ended 31st March, 2023. The above matter was also qualified in the audit reports issued by auditors of the Niche and statutory auditors of the Company for the year ended 31st March, 2022.</p>		
	b.	Type of Audit Qualification: Qualified Opinion		
	c.	Frequency of Qualification: Appeared for the first time in year ended 31st March, 2022		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Refer para II (a) above for the management comments.		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor: NA		

III.	<u>Signatories:</u>
	<p>Dr. Prakash A. Mody (Chairman & MD) Prakash Amrut Mody Digitally signed by Prakash Amrut Mody Date: 2023.05.23 13:08:12 +05'30'</p> <p>Mr. Sandip Ghume (Deputy CFO) Sandip Rajaram Ghume Digitally signed by Sandip Rajaram Ghume Date: 2023.05.23 13:07:13 +05'30'</p> <p>Mr. Praful Anubhai (Chairman of Audit Committee) </p> <p>For N. A. Shah & Associates LLP Chartered Accountants (FRN: 116560W/W100149)</p> <p>Mr. Milan Mody (Partner - Statutory Auditors) Membership no. 103286 MILAN NAVIN MODY Digitally signed by MILAN NAVIN MODY Date: 2023.05.23 13:20:31 +05'30'</p>
	Place: Mumbai
	Date: 23rd May, 2023



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