

# ANNUAL REPORT 2023-24



**UNICHEM**  
LABORATORIES LTD.



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# Corporate Information

## Board of Directors

|                                |  |
|--------------------------------|--|
| Dr. Prakash A. Mody            | Chairman, <i>Non-Executive &amp; Non-Independent</i> |
| Mr. Pranay Godha               | Director, <i>Non-Executive &amp; Non-Independent</i> |
| Mr. Anand Kusre                | Independent Director                                 |
| Mr. Arun Todarwal              | Independent Director                                 |
| Mrs. Priti Puri                | Independent Director                                 |
| Mr. Pabitrakumar Bhattacharyya | Managing Director                                    |

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|   |  |
|---|--|
| Mr. Sandip Ghume                                | Deputy Chief Financial Officer         |
| Mr. Pradeep Bhandari                            | Company Secretary & Compliance Officer |
| N. A. Shah Associates LLP (FRN 116560W/W100149) | Statutory Auditors                     |
| Kishore Bhatia & Associates (FRN 00294)         | Cost Auditors                          |
| Alwyn Jay & Co. (FRN P2010MH021500)             | Secretarial Auditors                   |

## 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](http://www.unichemlabs.com) • E-mail Id.: [shares@unichemlabs.com](mailto:shares@unichemlabs.com)

## Registrar and Share Transfer Agents

### Link Intime India Private Limited

C 101, 247 Park, L B S Marg

Vikhroli (West), Mumbai 400 083

Toll Free No.: 8108116767 • Fax.: (022) 4918 6060

E-mail id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## Board Committees

### Audit Committee

Mr. Arun Todarwal – Chairman  
Mr. Anand Kusre  
Mrs. Priti Puri  
Mr. Pabitrakumar Bhattacharyya

### Stakeholders Relationship Committee

Mr. Anand Kusre – Chairman  
Mr. Pranay Godha  
Mr. Pabitrakumar Bhattacharyya  
Mrs. Priti Puri

### Nomination and Remuneration Committee

Mr. Anand Kusre – Chairman  
Mr. Arun Todarwal  
Mrs. Priti Puri

### Corporate Social Responsibility Committee

Mr. Arun Todarwal – Chairman  
Mr. Pranay Godha  
Mr. Pabitrakumar Bhattacharyya

### Risk Management Committee

Mr. Arun Todarwal – Chairman  
Mr. Anand Kusre  
Mr. Pranay Godha  
Mr. Pabitrakumar Bhattacharyya

# Five-Year Financial Highlights (Standalone)

## Profit and Loss Account

(₹ in Lakhs)

| For the year ended 31st March                                 | 2019-2020          | 2020-2021          | 2021-2022         | 2022-2023          | 2023-2024          |
|---|--------------------|--------------------|-------------------|--------------------|--------------------|
| Revenue From Operations                                       | 90,444.07          | 1,12,397.28        | 94,292.66         | 1,07,243.22        | 1,44,216.78        |
| Other Income  | 9,917.01           | 4,737.11           | 4,206.79          | 4,184.75           | 3,038.60           |
| <b>Total Income</b>   | <b>1,00,361.08</b> | <b>1,17,134.39</b> | <b>98,499.45</b>  | <b>1,11,427.97</b> | <b>1,47,255.38</b> |
| Cost of materials consumed (including provisions)             | 40,020.76          | 44,913.87          | 43,492.03         | 50,033.50          | 71,692.11          |
| Purchases of Stock-in-Trade                                   | 104.37             | 53.52              | 134.90            | 152.65             | 91.09              |
| Changes in inventories of finished goods and work-in-progress | (1,849.58)         | (1,672.68)         | (5,279.05)        | 2,201.32           | (2,636.03)         |
| Employee benefits expense                                     | 20,515.66          | 23,403.73          | 25,079.27         | 27,086.47          | 28,314.49          |
| Other expenses  | 40,713.91          | 36,152.16          | 34,414.82         | 36,718.90          | 41,663.17          |
| <b>Total expenses</b>   | <b>99,505.12</b>   | <b>1,02,850.60</b> | <b>97,841.97</b>  | <b>1,16,192.84</b> | <b>1,39,124.83</b> |
| <b>PBDIT</b>  | <b>855.96</b>      | <b>14,283.79</b>   | <b>657.48</b>     | <b>(4,764.87)</b>  | <b>8,130.55</b>    |
| Finance Cost  | 128.18             | 130.06             | 207.42            | 938.02             | 1,042.01           |
| Impairment loss on financial assets                           | -                  | -                  | 806.07            | 341.72             | -                  |
| <b>PBDT</b>   | <b>727.78</b>      | <b>14,153.73</b>   | <b>(356.01)</b>   | <b>(6,044.61)</b>  | <b>7,088.54</b>    |
| Depreciation & Amortisation                                   | 7,108.96           | 7,589.18           | 8,318.76          | 10,597.92          | 10,545.80          |
| <b>Profit before tax</b>                                      | <b>(6,381.18)</b>  | <b>6,564.55</b>    | <b>(8,674.77)</b> | <b>(16,642.53)</b> | <b>(3,457.26)</b>  |
| Exceptional items   | -                  | -                  | -                 | 11,266.44          | 5,760.77           |
| Deferred tax  | (749.56)           | 1,094.30           | (3,155.51)        | 2,061.22           | -                  |
| Short / (Excess) provision for tax (earlier years)            | -                  | 62.02              | 23.70             | -                  | -                  |
| <b>Profit / (Loss) for the year</b>                           | <b>(5,631.62)</b>  | <b>5,408.23</b>    | <b>(5,542.96)</b> | <b>(29,970.19)</b> | <b>(9,218.03)</b>  |
| Other Comprehensive Income                                    | 299.50             | 2,130.49           | 5,537.20          | 3,872.67           | (52.75)            |
| <b>Total Comprehensive Income</b>                             | <b>(5,332.12)</b>  | <b>7,538.72</b>    | <b>(5.76)</b>     | <b>(26,097.52)</b> | <b>(9,270.78)</b>  |

# Five-Year Financial Highlights (Consolidated)

## Profit and Loss Account

(₹ in Lakhs)

| For the year ended 31st March                                 | 2019-2020          | 2020-2021          | 2021-2022          | 2022-2023          | 2023-2024          |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue From Operations                                       | 1,10,371.28        | 1,23,513.53        | 1,26,983.22        | 1,34,302.22        | 1,70,489.47        |
| Other Income  | 9,131.31           | 5,018.76           | 4,750.94           | 3,851.51           | 3,159.54           |
| <b>Total Income</b>   | <b>1,19,502.59</b> | <b>1,28,532.29</b> | <b>1,31,734.16</b> | <b>1,38,153.73</b> | <b>1,73,649.01</b> |
| Cost of materials consumed (including provisions)             | 42,187.92          | 46,698.72          | 45,601.35          | 53,219.93          | 74,280.44          |
| Purchases of Stock-in-Trade                                   | 104.37             | 53.52              | 134.90             | 152.65             | 91.09              |
| Changes in inventories of finished goods and work-in-progress | (3,575.68)         | (8,814.04)         | (4,153.41)         | 1,720.09           | (7,909.05)         |
| Employee benefits expense                                     | 27,327.99          | 30,697.06          | 33,048.96          | 35,641.05          | 39,305.77          |
| Other expenses  | 49,408.62          | 45,767.35          | 44,348.34          | 47,782.32          | 54,696.43          |
| <b>Total expenses</b>   | <b>1,15,453.22</b> | <b>1,14,402.61</b> | <b>1,18,980.14</b> | <b>1,38,516.04</b> | <b>1,60,464.68</b> |
| <b>Share of profit/(loss) in associate (net of tax)</b>       | <b>81.27</b>       | <b>(34.25)</b>     | <b>(106.10)</b>    | <b>-</b>           | <b>-</b>           |
| <b>PBDIT</b>  | <b>4,130.64</b>    | <b>14,095.43</b>   | <b>12,647.92</b>   | <b>(362.31)</b>    | <b>13,184.33</b>   |
| Finance Cost  | 784.72             | 511.86             | 610.53             | 1,731.25           | 2,266.12           |
| Impairment loss on financial assets                           | -                  | -                  | 723.89             | 341.72             | -                  |
| <b>PBDT</b>   | <b>3,345.92</b>    | <b>13,583.57</b>   | <b>11,313.50</b>   | <b>(2,435.28)</b>  | <b>10,918.21</b>   |
| Depreciation & Amortisation                                   | 8,166.94           | 8,435.63           | 9,116.61           | 11,344.37          | 11,324.05          |
| <b>Profit before tax</b>                                      | <b>(4,821.02)</b>  | <b>5,147.94</b>    | <b>2,196.89</b>    | <b>(13,779.65)</b> | <b>(405.84)</b>    |
| Exceptional items   | -                  | -                  | -                  | 3,856.64           | 5,760.77           |
| Current tax   | 547.24             | 1,668.26           | 1,050.83           | 1,105.63           | 794.49             |
| Deferred tax  | 649.99             | (14.82)            | (2,183.81)         | 1,534.98           | 86.33              |
| Short / (Excess) provision for tax (earlier years)            | -                  | 62.02              | 23.70              | (54.14)            | -                  |
| <b>Profit / (Loss) for the year</b>                           | <b>(6,018.25)</b>  | <b>3,432.48</b>    | <b>3,306.17</b>    | <b>(20,222.76)</b> | <b>(7,047.43)</b>  |
| Other Comprehensive Income                                    | 305.64             | 1,639.47           | 5,375.05           | 4,592.49           | (547.41)           |
| <b>Total Comprehensive Income</b>                             | <b>(5,712.61)</b>  | <b>5,071.95</b>    | <b>8,681.22</b>    | <b>(15,630.27)</b> | <b>(7,594.84)</b>  |

# Notice

**NOTICE** is hereby given that the 61st Annual General Meeting of the Members of **Unichem Laboratories Limited**, will be held on **Thursday, 8th August, 2024 at 2.00 p.m. (IST)** through Video Conference (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

## ORDINARY BUSINESS:

- To receive, consider and adopt:
  - The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2024 together with the Reports of the Board of Directors and Auditors thereon; and
  - The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2024 together with the Report of the Auditors thereon.
- To appoint a Director in place of Mr. Pranay Godha (DIN:00016525), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

- To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No. 00294), who were appointed by the Board of Directors as the Cost Auditors of the Company, based on the recommendation of the Audit Committee, to audit the cost records of the Company for the financial year ending 31st March, 2025, amounting to ₹ 6,00,000 (Rupees Six lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, 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**

Head – Legal & Company Secretary  
Membership No.: A14177

Mumbai  
22nd May, 2024

## Registered Office:

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

## NOTES:

- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), which sets out details relating to Item No. 3 of the Notice is annexed hereto. Pursuant to Regulation 36 of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Director seeking re-appointment forms part of this notice and is appended to the notice.
- In view of the various circulars issued by the Ministry of Corporate Affairs (“MCA”) read with relevant circulars issued by the SEBI, from time to time (hereinafter collectively referred to as the Circulars) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, Listing Regulations and the Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the 61st AGM shall be Plot 125, Kandivli Industrial Estate, Kandivli (West), Mumbai 400067.
- To support the green initiative and as per relaxation given by the Government, only electronic copy of the Annual report for the year ended 31st March, 2024 and Notice of the 61st AGM are being sent to the Members whose mail IDs are available with your Company/Depository Participant/(s) (DPs). Annual Report and the notice of the 61st AGM are also posted on the website [www.unichemlabs.com](http://www.unichemlabs.com) and that of the exchanges namely [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) for download. In case any member is desirous of obtaining physical copy of the Annual Report for the financial year 2023-24 they may send a request to the Company by writing to [shares@unichemlabs.com](mailto:shares@unichemlabs.com). The AGM Notice is also disseminated on the website of National Securities Depository Limited (“NSDL”) (agency for providing the Remote e-Voting facility and e-Voting system during the AGM) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 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, attendance slip and route map are not annexed to this Notice. However, in pursuance of Section 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting.

5. 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. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. 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](mailto:shares@unichemlabs.com) at least 48 hours before the commencement of the AGM.
7. Following documents will be available for inspection electronically to the members during the AGM:
  - i. Register of Directors and Key Managerial Personnel;
  - ii. Register of securities held by Directors and Key Managerial Personnel;
  - iii. Register of Contracts or Arrangements in which the directors are interested;
  - iv. Certificate from the Secretarial Auditors of the Company certifying that the Company's Unichem Employee Stock Option Scheme 2018 is being implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

All other documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. Thursday, 8th August, 2024. Members seeking to inspect such documents can send an e-mail to [shares@unichemlabs.com](mailto:shares@unichemlabs.com)

8. 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 NSDL, for facilitating voting through electronic means, as the authorized e-Voting agency. Accordingly, 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 NSDL.
9. Members can join the AGM through VC/OAVM 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.
10. Instructions for Shareholders for remote e-Voting and joining the AGM are as under:  
The remote e-Voting period begins on **Monday, 5th August, 2024 at 9:00 a.m.** and ends on **Wednesday, 7th August, 2024 at 5:00 p.m.** The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the **record date (cut-off date)** i.e. **Thursday, 1st August, 2024** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 1st August, 2024. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

In terms of SEBI circular dated 9 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 DPs. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of Shareholders  | Login Method  |
|---|---|
| <b>Individual Shareholders holding securities in demat mode with NSDL</b> | 1) Existing <b>IDeAS</b> user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the " <b>Beneficial Owner</b> " icon under " <b>Login</b> " which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on " <b>Access to e-Voting</b> " under e-Voting services and you will be able to see e-Voting page. <b>Click on company name or e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

|  |  |
|--|--|
|  | <p>2) If you are not registered for <b>IDEAS</b> e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ 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. <b>Click on company name or e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4) Shareholders/Members can also download NSDL Mobile App “<b>NSDL SPEED-e</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div> |
| <p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>                                     | <p>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 Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing Myeasi username &amp; password.</p> <p>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 &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting Service Providers website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile &amp; e-mail as recorded in the Demat Account. After successful authentication, 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.</p>  |
| <p><b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b></p> | <p>You can also login using the login credentials of your demat account through your DPs registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>   |

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot 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.**

|                        |  |
|------------------------|--|
| <p><b>FOR CDSL</b></p> | <p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.</p> |
| <p><b>FOR NSDL</b></p> | <p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.com">evoting@nSDL.com</a> or call at 022 - 4886 7000.</p>  |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and for shareholders holding securities in physical mode.**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nSDL.com/> either on a Personal Computer or on a mobile.



2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is  |
|--|--|
| a. For Members who hold shares in demat account with NSDL      | 8 Character DP ID followed by 8 Digit Client ID.<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b. For Members who hold shares in demat account with CDSL      | 16 Digit Beneficiary ID. For example if your Beneficiary ID is 12***** then your user ID is 12*****.   |
| c. For Members holding shares in Physical Form                 | EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***. |

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - i. If your e-mail ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - ii. If your e-mail ID is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

- a. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period or cast your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
- c. Now you are ready for e-Voting as the Voting page opens.
- d. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- e. Upon confirmation, the message “Vote cast successfully” will be displayed.
- f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders.

- a. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are

- authorised to vote, to the Scrutinizer by e-mail to [alwyn.co@gmail.com](mailto:alwyn.co@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
- b. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - c. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. **Thursday, 1st August, 2024** may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or Issuer/RTA. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **Thursday, 1st August, 2024** may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
  - d. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre at [evoting@nsdl.com](mailto:evoting@nsdl.com).

**Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:**

- a. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to Company's Registrar & Share Transfer Agent ("RTA"), Link Intime India Private Limited, C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083.
- b. In case shares are held in demat mode, please contact your DP and get your mail ID registered with them. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- c. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-Voting by providing above mentioned documents.
- d. In terms of SEBI circular dated 9 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 DPs. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

**Instructions for Members for e-Voting on the day of the AGM are as under:**

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- b. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted 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 in the AGM.
- c. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

**Instructions for Members for attending the AGM are as under:**

- a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of VC/OAVM placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
  - b. Members are encouraged to join the Meeting through PC/laptops for better experience.
  - c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - d. Please note that Participants 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.
  - e. 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 from **Friday, 2nd August, 2024 (9:00 a.m. IST) to Monday, 5th August, 2024 (5:00 p.m. IST)** prior to meeting mentioning their name, demat account number / folio number, e-mail id, mobile number, PAN at [shares@unichemlabs.com](mailto:shares@unichemlabs.com). The shareholders who do not wish to speak during the AGM may send their queries in advance 5 days prior to meeting mentioning their name, demat account number / folio number, e-mail id, mobile number, PAN at [shares@unichemlabs.com](mailto:shares@unichemlabs.com). These queries will be replied suitably by your Company.
11. Mr. Alwyn D'Souza (Membership No. F5559 & Certificate of Practice No. 5137) or failing him Mr. Jay D'Souza (Membership No. F3058 & Certificate of Practice No. 6915) of M/s. Alwyn Jay & Co., Practicing Company Secretaries, Mumbai, have been appointed as the Scrutinizer to scrutinize the voting and ensuring that remote e-Voting process is conducted in a fair and transparent manner. The

Scrutinizer will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-Voting (votes casted during the AGM and votes casted through remote e-Voting), within 2 working days of the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the Stock Exchanges, NSDL & RTA and will also be displayed on your Company's website, [www.unichemlabs.com](http://www.unichemlabs.com).

12. Members are requested to address all correspondence in connection with shares held by them, to the Company's RTA viz., Link Intime India Private Limited, C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083 by quoting their Folio number or their DPID and Client ID number, as the case may be
13. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Your Company is also registered on SEBI's ODR Portal.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website <https://www.unichemlabs.com/mandatory-dematerialisation.php>

14. Members are requested to do following, if not done yet:
  - i. Provide / update details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code and IFSC code (as appearing on the cheque) along with photocopy of the cheque / cancelled cheque, self- attested identity proof and address proof, for remittance of dividend through ECS / NEFT and prevent fraudulent encashment of dividend warrants.
  - ii. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Link Intime, for assistance in this regard.
  - iii. Update Permanent Account Number (PAN) against folio / demat account as also for deletion of name of deceased holder, transmission / transposition of shares.
  - iv. Members holding shares in dematerialised form are requested to intimate / update all particulars of bank mandates, PAN, nominations, power of attorney, change of address, e-mail address, contact numbers etc. to their Depository Participants. Members holding shares in physical form are requested to intimate such details to the RTA and file nomination form SH-13.
15. NRI Members are requested to inform the RTA immediately:
  - i. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier; and
  - ii. Change in their residential status and address in India on their return to India for permanent settlement.

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

**Pradeep Bhandari**

Head – Legal & Company Secretary  
Membership No.: A14177

Mumbai  
22nd May, 2024

**Registered Office:**

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

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 3

The Board of Directors at its Meeting held on 22nd May, 2024, 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, 2025, at a remuneration not exceeding ₹ 6.00 Lakhs (Rupees Six 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. 3 except to the extent of their shareholding, if any, in the Company.

Accordingly, resolution at Item No. 3 of the Notice, is recommended by Board of Directors for Members approval as an Ordinary Resolution.

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

Mumbai  
22nd May, 2024

Pradeep Bhandari  
Head – Legal & Company Secretary  
Membership No.: A14177

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

**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 retiring by rotation is given herein:**

| Name of the Director  | Mr. Pranay Godha  |
|---|---|
| Date of birth   | 24th March, 1972  |
| Date of Appointment   | 10th August, 2023   |
| Brief Profile, Qualification and Expertise in Specific Functional Area                  | Mr. Godha has done B.Sc. 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 & Chief Executive Officer of Ipca Laboratories Limited. |
| Remuneration last drawn   | Nil, except sitting fees is paid for Board and Committee meetings attended by him.  |
| Number of Meetings of the Board attended during the financial year 2023-24              | Two   |
| No. of shares held in the Company   | Nil   |
| Directorships in other Companies (excluding Foreign Companies)                          | 1. Ipca Laboratories Limited<br>2. Paschim Chemicals Private Limited<br>3. Kaygee Laboratories Private Limited<br>4. Kaygee Investments Private Limited<br>5. Mexin Medicaments Private Limited   |
| Membership/Chairmanship of Committees   | Member of the Risk Management Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of the Company.<br>Member of Risk Management Committee of Ipca Laboratories Limited.   |
| Resigned/retired as a Director in any listed entities in the past three financial years | None  |
| Relationship between Directors inter-se   | None  |

# Directors' Report

Dear Members,

Your Directors have the pleasure of presenting the audited accounts of your Company for the financial year ended 31st March, 2024.

## Standalone and Consolidated Financial Results

(₹ in cr.)

| Particulars   | Standalone                             |  | Consolidated                           |  |
|---|--|--|--|--|
|   | For the Year ended<br>31st March, 2024 | For the Year ended<br>31st March, 2023 | For the Year ended<br>31st March, 2024 | For the Year ended<br>31st March, 2023 |
| Revenue from operations                                 | 1,442.17                               | 1,072.43                               | 1,704.89                               | 1,343.02                               |
| Other Income  | 30.39                                  | 41.85                                  | 31.60                                  | 38.52                                  |
| <b>Total Income</b>                                     | <b>1,472.56</b>                        | <b>1,114.28</b>                        | <b>1,736.49</b>                        | <b>1,381.54</b>                        |
| <b>Profit/(loss) before tax after exceptional items</b> | <b>(92.18)</b>                         | <b>(279.09)</b>                        | <b>(61.67)</b>                         | <b>(176.36)</b>                        |
| Current tax   | -                                      | -                                      | 7.94                                   | 11.06                                  |
| Deferred tax  | -                                      | 20.61                                  | 0.86                                   | 15.35                                  |
| Short / (Excess) provision of tax for earlier years     | -                                      | -                                      | -                                      | (0.54)                                 |
| <b>Profit (Loss) for the year</b>                       | <b>(92.18)</b>                         | <b>(299.70)</b>                        | <b>(70.47)</b>                         | <b>(202.23)</b>                        |
| Other Comprehensive Income                              | (0.53)                                 | 38.73                                  | (5.47)                                 | 45.92                                  |
| <b>Total Comprehensive Income</b>                       | <b>(92.71)</b>                         | <b>(260.98)</b>                        | <b>(75.94)</b>                         | <b>(156.31)</b>                        |

The audited standalone and consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

In accordance with the provisions of Section 129(3) of the Act, the audited consolidated financial statements are also provided in the Annual Report.

The revenue from operation on a consolidation basis for the financial year under review was ₹ 1,704.89 cr. as against ₹ 1,343.02 cr. for the previous financial year, registering an increase of 26.9%. The profit before tax excluding exceptional items improved to ₹ (4.05) cr. for the financial year under review as against ₹ (137.80) cr. for the previous financial year. During the year, the Company on the basis of abundant precaution had made a full provision of ₹ 125.62 cr. towards EU Commission fine which is disclosed under exceptional items. The Company continues to remain focussed on exports, the share of exports in the total revenue from operations is 94.8%.

### Change in Control and Management

During the year, Ipca Laboratories Limited acquired 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 Dr. Prakash A. Mody, Promoter & Director.

On 21st September, 2023, Ipca Laboratories Limited further acquired an aggregate 1,35,79,571 equity shares at ₹ 440 per equity share pursuant to the open offer made by Ipca Laboratories Limited to the public shareholders of the Company in terms of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Consequently, the aggregate holding of Ipca Laboratories Limited in the Company as on 31st March, 2024 stands at 3,70,81,011 equity shares of the Company representing 52.67% of the total paid-up equity share capital of the Company. Thus, Ipca Laboratories Limited acquired majority control over the Company and accordingly your Company is now a subsidiary of Ipca Laboratories Limited.

### Review of Subsidiaries and Associates

Your Company has six subsidiaries and one associate company. As required, the financial data of the subsidiaries and associate company is furnished in the prescribed Form AOC-1 as an annexure to the consolidated financial statements.

Please refer to detailed note nos. 6.1, 38 & 42 of the standalone financials for impairment of investments in its associate company and Wholly Owned Subsidiaries.

Audited Financial Statements of subsidiaries are available on Company's website at [www.unichemlabs.com](http://www.unichemlabs.com) and the same are also available for inspection at the Registered Office of the Company during business hours as stipulated under Section 136 of the Act. The same will be made available to interested members upon request.

Unichem Pharmaceuticals (USA) Inc., is a material subsidiary in accordance with the provisions of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with the Company's Policy on Material Subsidiaries which is available at <https://www.unichemlabs.com/policy-on-material-subsidiaries.php>.

### Dividend

The Board of Directors has not recommended any dividend on the Equity Shares of the Company. Pursuant to the Listing Regulations, the Company has formulated a Dividend Distribution Policy and is available on the Company's website <https://www.unichemlabs.com/dividend-distribution-policy.php>

## Share Capital

There was no change in authorised or paid-up share capital of the Company during the year under review.

## Employees Stock Options Scheme 2018

Unichem Employee Stock Option Scheme 2018 (“Scheme”) is in place which is administered by the Nomination and Remuneration Committee (“NRC”). No alterations were made in the scheme during the year. During the year under review, 5,00,000 options were granted to an employee of a subsidiary company.

Disclosure of details of the Scheme as required under Regulation 14 of the SEBI (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 a certificate confirming that the aforesaid Scheme has been implemented in accordance with the Regulations and the resolution passed by members at the general meeting. The certificate will be available for inspection by members at the ensuing Annual General Meeting (“AGM”).

## Credit Rating

The Company’s banking facilities are rated by ICRA. During the year, ICRA has upgraded the Company’s long-term rating to A (pronounced ICRA ‘A’) from A- (pronounced ICRA ‘A’ minus) which indicates a stable outlook.

## Sale of strategic investments of the Company

During the year, Company sold its balance 0.02% equity shareholding held in Optimus Drugs Private Limited (“Optimus”) to Sekhmet Pharmaventures Private Limited (“Sekhmet”) for a consideration of ₹ 67.47 cr. as per the Share Purchase Agreement entered into between the Company, Optimus 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.

## Management Discussion and Analysis

In accordance with Regulation 34(2) read alongside Part B of Schedule V of the Listing Regulations, a comprehensive assessment of the business operations, performance, significant events that transpired during the year and the overall state of the company’s affairs is provided in the Management Discussion and Analysis, which is an integral part of this report as **Annexure A**.

## Corporate Governance

The Board of Directors reiterate their ongoing dedication to upholding good Corporate Governance and ethical standards. The Company is steadfast in its commitment to maintaining the highest level of Corporate Governance, striving to align with the best global practices.

The Corporate Governance Report for the year is included as an integral part of this report as **Annexure B**, alongwith a certificate from M/s. N. A. Shah Associates LLP, Statutory Auditors affirming compliance with Corporate Governance norms prescribed under the Listing Regulations.

## Directors and Key Managerial Personnel

The Board of the Company consists of esteemed professionals from various backgrounds, each contributing diversified competencies, domain knowledge and experience. The optimal blend of Executive and Independent Directors ensures a fine balance of business acumen and independent judgment in the Board’s decision-making process.

Throughout the year under review, none of the Non-Executive Directors maintained any pecuniary relationships or engaged in transactions with the Company, apart from receiving sitting fees and reimbursement of expenses, if applicable.

### a. Appointment of Managing Director (“MD”)

At the meeting held on 9th August, 2023, the Board approved the appointment & remuneration of Mr. Pabitrakumar Bhattacharyya as MD of the Company for a period of three years. His appointment was approved at the AGM by Shareholders on 25th September, 2023.

### b. Retirement by Rotation

Mr. Pranay Godha retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment. A resolution seeking Shareholders’ approval for his re-appointment along with other required details forms part of the Notice.

### c. Independent Directors (“IDs”)

All IDs have affirmed their continued compliance with the independence criteria outlined in Section 149(6) of the Act and the Listing Regulations. They have enrolled their names in the IDs database and have successfully completed required proficiency tests. There has been no change in the circumstances affecting their status as IDs of the Company. Additionally, they have attested to their adherence to the Code of Conduct for IDs.

Based on the disclosures provided by the IDs, none of them are disqualified or debarred from serving as Directors under Section 164 of the Act, SEBI order or any other relevant authority. The Board affirms that the IDs maintain independence from the management.

The Board acknowledges that the IDs possess the requisite qualifications, experience and expertise across various domains including manufacturing, operations, finance, foreign exchange, human resources, strategy, sales & marketing, auditing, banking and risk management. Furthermore, they uphold high standards of integrity.

A comprehensive overview of the skill set, expertise and competencies matrix of all Directors, including IDs, is available in the Corporate Governance Report, which is an integral part of this Annual Report.

**i. Completion of tenure**

The consecutive second term of five years as ID of Mr. Prafull Anubhai, Mr. Prafull Sheth and Mr. Anand Mahajan was completed on 31st March, 2024. As per Listing Regulations no IDs shall hold office for more than two consecutive terms. The Board of Directors of the Company places on record their utmost appreciation and gratitude for the meaningful contribution made by Mr. Prafull Anubhai, Mr. Prafull Sheth and Mr. Anand Mahajan during their tenure with the Company.

**ii. Appointment of new IDs**

Based on the recommendations of NRC, Board had approved the appointment of Mr. Anand Kusre (DIN 00818477) and Mr. Arun Todarwal (DIN 00020916) as IDs of the Company for a term of five consecutive years with effect from 5th February, 2024. The members of the Company, by way of a special resolution passed through Postal Ballot, approved their appointment on 22nd March, 2024.

**d. Key Managerial Personnel (“KMP”)**

Mr. Pabitrakumar Bhattacharyya, Managing Director; Mr. Sandip Ghume, Deputy Chief Financial Officer and Mr. Pradeep Bhandari, Head – Legal & Company Secretary are the KMP of the Company as on the date of this report.

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.

**Board Performance and Evaluation**

In accordance with the provisions of the Act and the Listing Regulations, the Board has conducted an annual performance evaluation of its own performance, its Committees and the individual Directors.

The manner of evaluation of Board of Directors performance and matters incidental thereto, are detailed in the Corporate Governance Report.

**Salient features of the Nomination and Remuneration Policy**

The Board, upon the recommendation of the NRC, has implemented a policy for the selection, appointment and remuneration of Directors, KMP and Senior Management. This policy is accessible on the Company’s website at the following link: <https://www.unichemlabs.com/nomination-and-remunerationpolicy.php>.

The Company regards its human resources as invaluable assets. Employee compensation, including salary, benefits, perquisites and allowances is provided with annual increments tied to individual performance evaluations. The Remuneration policy is crafted to attract, retain and incentivize talented personnel.

**i. Whole-time/ Managing Director**

The Company provides remuneration to its Whole-time Directors in the form of salary, perquisites and allowances (fixed component), as well as commission (variable component, where applicable as per terms of appointment). Salaries are disbursed based on the recommendation of the NRC and subsequent approval by the Board of Directors. Furthermore, such remuneration is subject to the endorsement of the Shareholders, within the limits prescribed by the Act and its accompanying Rules.

The remuneration accorded to Whole-time Directors is determined with consideration to industry benchmarks and the Company’s relative performance in comparison to industry standards.

**ii. Non-Executive Directors**

Non-Executive Directors receive sitting fees for their attendance at Board and Committee Meetings, in accordance with the provisions of the Act and the Rules. Apart from the payment of sitting fees, no additional remuneration is provided to Non-Executive Directors.

**iii. KMP, Senior Management and other Employees**

The remuneration of KMP, Senior Management and other employees primarily comprises of basic salary, perquisites, allowances and performance incentives including ESOPs wherever applicable. Perquisites and retirement benefits are disbursed in accordance with the Company’s established policy.

In determining the remuneration package, the Company considers the prevailing employment landscape, as well as remuneration packages offered by industry peers.

**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 may impact on the Company’s going concern status and its operations in the future.

**Corporate Social Responsibility (“CSR”)**

The Corporate Governance Report provides the terms of reference and constitution of the CSR Committee. Additionally, your Company has developed a CSR Policy, accessible on the Company’s website at <https://www.unichemlabs.com/corporate-social-responsibility.php>. Moreover, in compliance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Annual Report on CSR activities is annexed as **Annexure C**, forming an integral part of this Report.

### **Statutory Auditors**

N. A. Shah Associates LLP, Chartered Accountants, (Firm Registration No. 116560W/W100149) (“M/s. N.A. Shah”) are the Statutory Auditors of the Company.

At the 59th AGM held on 9th August, 2022, Members re-appointed M/s. N. A. Shah for a further period of five years, i.e. from the conclusion of the 59th AGM till the conclusion of the 64th AGM of the Company to be held in the year 2027.

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 qualification or reservation, adverse remark or disclaimer. M/s. 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**

The Company adheres to the provisions of Section 148(1) of the Act by maintaining cost accounts and records, which are subject to audit by Cost Auditors. In line with Section 148(6) of the Act read with Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, the cost audit report for the year ending 31st March, 2024, in Form No. CRA-4 (in XBRL mode), will be duly submitted to the Ministry of Corporate Affairs within the stipulated timeframe.

Upon the recommendation of the Audit Committee, the Board has appointed M/s. Kishore Bhatia & Associates, Practicing Cost Accountants, to conduct the audit of the Company’s cost records for the financial year 2024-25. They have affirmed that their appointment aligns with the applicable provisions of the Act and the rules established thereunder. Furthermore, they have confirmed their eligibility to serve as the Cost Auditors of the Company for the year ending 31st March, 2025.

In compliance with the provisions outlined in Section 148 of the Act, along with the Companies (Audit and Auditors) Rules, 2014, the remuneration proposed to be paid to the Cost Auditor for the financial year 2024-25 necessitates ratification by the members. Consequently, the Board of Directors advocates for its endorsement by the members during the upcoming AGM. This proposal is included as part of the notice for the AGM.

### **Secretarial Audit**

In accordance with Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the Listing Regulations, the Board has engaged M/s. Alwyn Jay & Co., Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year ending 31st March, 2024.

The Secretarial Audit Report is annexed to this report as **Annexure D**. It is noteworthy that the report does not contain any qualifications, reservations or adverse remarks. The content of the report is self-explanatory and does not necessitate any additional comments.

M/s. Alwyn Jay & Co., Practicing Company Secretaries, have also issued a Secretarial Compliance Report for the financial year ending 31st March, 2024. This report confirms that the Company has maintained proper records as mandated under various Rules and Regulations applicable to it. Furthermore, it affirms that no actions have been taken against the Company, its material subsidiaries or its promoters/directors by SEBI/Stock Exchanges. The Company disseminates this report on the websites of BSE and NSE within the specified timeframe.

Upon the recommendation of the Audit Committee, the Board of Directors has re-appointed M/s. Alwyn Jay & Co., Practicing Company Secretaries, to conduct the secretarial audit for the financial year 2024-25. They have provided their consent and confirmed their eligibility for the said re-appointment.

During the reviewed period, the Statutory, Internal, Secretarial and Cost Auditors have not reported any instances of fraud perpetrated against the Company by its officers or employees to the Audit Committee. Hence, there are no details pertaining to such incidents to be included in the Directors’ report.

### **Compliance with Secretarial Standards**

During the financial year 2023-24, 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, seven Board Meetings were held, the details of which are given in the Corporate Governance Report.

### **Committees of the Board**

The Board has constituted five committees, viz., Audit Committee, NRC, CSR Committee, Stakeholders’ Relationship Committee and



Risk Management Committee. The Board has endorsed all recommendations put forth by these committees, with comprehensive information regarding the committees' composition, reconstitution following changes in the Board of Directors, meeting schedules and other pertinent details outlined in the Corporate Governance Report.

#### **Related Party Transactions (“RPTs”)**

During the year under review, the Company has obtained prior approval from both the Audit Committee and/or Board of Directors for RPTs whenever necessary. The details of such transactions undertaken during a particular quarter are placed at the meeting of the Audit Committee held in the succeeding quarter. These transactions conducted with related parties were on an arm's length basis and wherever not in the ordinary course of business, approval of the Board is obtained. Notably, the Company did not engage in any RPTs (with the exception of transactions involving the Company's Wholly Owned Subsidiaries) that could be deemed material as per the Company's Policy on materiality of RPTs or necessitating reporting in Form AOC-2 as per Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 or could have a potential conflict with the interests of the Company at large.

Members had approved following material related party transactions to be entered into for financial year 2024-25:

- a. Unichem Laboratories Limited with Ipca Laboratories Limited;
- b. Ipca Laboratories Limited with Unichem Pharmaceuticals USA Inc., wholly owned subsidiary of Unichem Laboratories Limited; and
- c. Unichem Laboratories Limited with Unichem Pharmaceuticals USA Inc.

The Board approved policy on RPTs is accessible on the Company's website via the weblink: <https://www.unichemlabs.com/related-party-transactions-policy.php>.

Apart from the shares held in the Company, remuneration and sitting fees, there is no pecuniary transaction with any Director/KMP, which had potential conflict of interest with the Company.

#### **Internal control system and Risk Management**

Internal control system and Risk Management have been dealt with in Management Discussion & Analysis, which forms integral part of this report.

#### **Whistle Blower Policy**

The Company upholds a zero-tolerance policy towards any form of unethical conduct or behavior for maintaining an unwavering commitment to integrity in its business operations. To uphold these standards, the Company has implemented a Whistle Blower Policy/Vigil Mechanism, allowing stakeholders, directors and employees to report genuine concerns regarding unethical behavior, fraud or violations of the Company's Code of Business Conduct and Ethics.

This mechanism ensures adequate safeguards against victimization of individuals who utilizes it. It is affirmed that no individual has been denied access to the Audit Committee. During the year under review, there was one complaint received and the same was resolved. The policy is readily accessible on the Company's intranet and website, with the designated email address for reporting genuine concerns being [whistleblower@unichemlabs.com](mailto:whistleblower@unichemlabs.com).

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

The details required under Section 134(3)(m) of the Act and related rules are outlined in **Annexure E** of this Report.

#### **Particulars of Employees**

Details regarding remuneration and other necessary information, as mandated by Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are provided in **Annexure F** of this Report.

The statement showing particulars of employees pursuant to Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not being sent to the Members along with this Annual Report in accordance with the provision of Section 136 of the Act. Any Member interested in obtaining a copy of this information may request it by writing to the Company Secretary stating their Folio No./DPID & Client ID at [shares@unichemlabs.com](mailto:shares@unichemlabs.com).

#### **Business Responsibility and Sustainability Report (“BRSR”)**

The Company is committed to ensuring that its actions have a positive impact on the economic, societal and environmental fronts. BRSR for the financial year 2023-24 in accordance with Regulation 34(2)(f) of the Listing Regulations, forming part of this report is annexed as **Annexure G** and forms an integral part of this Annual Report.

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

The Company is dedicated to fostering a safe, supportive and healthy working environment where employees can work without fear of prejudice or gender bias. The management continuously strives to cultivate an environment that is free from discrimination and sexual harassment.

The Company has established a policy on Prevention of Sexual Harassment at the Workplace, aligning with the requirement of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee

("ICC") has been constituted to address complaints pertaining to sexual harassment. The policy provides guidelines for the redressal, inquiry process to be followed by complainants and the ICC while addressing incidents of sexual harassment in the workplace. All women employees, including permanent, temporary, contractual and trainees, are covered under this policy. Additionally, the policy includes measures to ensure that no employee faces victimization or harassment for reporting such incidents in the Company's interest. During the year under review, no complaint of sexual harassment has been received.

#### **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>.

#### **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.

#### **Other disclosures**

No disclosure or reporting is necessary regarding the following items, as there were no transactions of this nature during the year under review:

- Details relating to deposits covered under Chapter V of the Act;
- Transfer of any amount to reserves;
- Material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

#### **Human Resource, health and safety**

The Company is committed towards providing an enabling environment that recognizes and values the contributions of its employees while offering them opportunities for growth and development.

The Company is deeply committed to safeguarding human health, safety and the environment, upholding the highest standards of health and safety across all its plants and facilities. This dedication serves as the cornerstone of our Environmental, Health and Safety (EHS) management systems and governance.

#### **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 Act:

- a. that in preparation of annual accounts for the year ended 31st March, 2024, the applicable accounting standards have been followed and no material departures, have been made from the same;
- b. 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 ending 31st March, 2024 and Profit /Loss for that year;
- c. 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;
- d. that the annual accounts have been prepared on a going concern basis;
- e. that the internal financial controls were in place and that they were adequate and operating effectively; and
- f. that systems to ensure compliance with the provisions of all applicable laws were devised and such systems were adequate and operating effectively.

#### **Acknowledgement**

The Board gratefully acknowledges the invaluable support and wise counsel provided to the Company by its customers, bankers, government agencies, suppliers, shareholders and other esteemed associates who serve as its business partners. Your directors express sincere gratitude for the invaluable contributions made by employees during the year under review. The consistent growth of the Company has been made possible by their hard work, solidarity, cooperation and unwavering perseverance and commitment. The Board further expresses its gratitude for the trust bestowed upon the Company by the medical fraternity and patients alike. With deep appreciation, we anticipate continued support in our mission to advance health through the delivery of quality products.

For and on behalf of the Board of Directors,

Mumbai  
22nd May, 2024

**Dr. Prakash A. Mody**  
Chairman  
(DIN: 00001285)

# Annexure A to Directors' Report

## MANAGEMENT DISCUSSION AND ANALYSIS

### Economy

The global economy has remained surprisingly resilient despite repeated and overlapping shocks and unprecedented monetary tightening. The geopolitical tensions continued to escalate around the world in financial year 2023-24. The USA economy did witness improvement as seen in the better-than-expected GDP growth in the latter part of the financial year. However, the economies of Europe and China remained subdued and are expected to experience slower growth. Despite these challenges and risks, the global economic growth expectations can be viewed with cautious optimism with a growth rate of 3.1% in the year 2024 and is expected to increase marginally to 3.2% in 2025.

India is steadfast in pursuing the ambitious target of becoming a 7-trillion-dollar economy in next five years, positioning itself among the world's top three largest economies. A key component of this transformative journey will be the manufacturing sector. Developing globally competitive manufacturing hubs represents one of the biggest opportunities for India to spur economic growth and job creation in this decade. The rating agency Moody's Investor service noted in its Global Macro outlook 2024-25 that, the Indian economy should be able to comfortably register 6-7% real GDP growth and therefore forecast around 6.8% growth in the calendar year 2024.

On the macro front, the Indian economy concluded the past fiscal year on a robust note, driven by strong business and consumer sentiments, sustained public investment, easing inflation and a favourable domestic consumption driven economy. India will be the fastest growing economy for the next few years and expected to be a preferred emerging market for investments. It has made progress towards achieving its goal to be a global manufacturing hub. As global supply chains seek to diversify, India stands to gain as a stable destination for manufacturing and business.

### Global Pharma Market

The global pharmaceuticals market has been growing steadily in recent years, which is mainly driven by innovative drugs and an increasing demand for drugs and treatments worldwide. For 2023, the total global pharmaceutical market was estimated at around 1.6 trillion USD. Due to its advanced healthcare infrastructure and strong R&D capabilities, the USA remains at the forefront of pharmaceutical innovation worldwide.

The Indian pharmaceutical industry is a formidable global force today and ranks third worldwide in terms of production volume and fourteenth in overall value. Today, India is regarded in many places as a 'pharmacy of the world' with a focus on high quality but affordable medicines.

By leveraging its inherent strengths in manufacturing, digital talent and favourable demographics, India has the potential to become a global life-sciences innovation hub and grow its market to USD 120-130 billion by 2030 and USD 400-500 billion by 2047. The Government had announced Production-Linked Incentives ("PLI") for industrial research and development not just for formulations but also for bulk drugs, drugs intermediates and the meditech sector. India has the potential to grow 3-4 times in value by achieving a shift from a 10% share of pharma in the global manufacturing sector to 20% share in 2030.

During the first nine months of 2023, industry secured a notable increase in ANDA approvals for the USFDA. Among 618 approvals, Indian companies accounted for a significant share of 284 ANDA approvals, constituting 46% of the total approvals. India has the highest number of USFDA-compliant companies with plants outside the USA and it exports to 200 countries. Further two-third of global vaccines for WHO requirements are met by India.

Today, India is a leader in the global pharma landscape, particularly when it comes to formulations. It is the third-largest producer of pharmaceuticals by volume and supplies 20% of global exports of generic drugs. An estimated 40% of generic formulations to the US comes from India.

### Generics & Generic Formulation

India's pharmaceutical industry is among global leaders, not just in terms of sheer production but also in its profound impact on global health and innovation. Since India's independence, this sector has evolved into a powerhouse that caters not only to domestic healthcare but also plays a significant role in supplying affordable medicines worldwide. Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally.

The total spending and global demand for medicines is expected to increase over the next five years to approximately USD 1.9 trillion by 2027 as per the IQVIA Institute. The global medical market is expected to grow at 3%-6% CAGR through 2027 with diverging trends by region. Growth in developed economies continues at relatively steady rates with new products offset by patent expiries; Latin America, Eastern Europe and parts of Asia are expected to grow strongly by volume and greater adoption of novel medicines.

As per the commerce ministry data, the Country's drugs and pharmaceuticals exports increased 9.7% year-on-year to USD 28 billion in 2023-24 even as the overall total exports dipped by 3% in the last fiscal. The top five export markets for the sector during the last fiscal are USA, UK, Netherlands, South Africa and Brazil. India's pharmaceutical industry produces more than 60,000 generic drugs across 60 therapeutic categories.

The USA has been always a key market for most leading Indian pharmaceutical companies, accounting for a sizable share of their revenues. Apart from some key drugs going off-patent, product shortages in select therapeutic segments such as oncology, anesthesia, cardiovascular among others in the recent quarters have also been a growth driver for generic companies in the USA market.

Unichem has a strong footprint in generic business and has been at the forefront in supplying affordable medicines and offers a wide array of medicines in various therapeutic segments. The Company is mainly in international business and the products manufactured are exported to many developed and developing countries. Unichem in its journey of several decades, also have the privilege to partner with renowned pharmaceutical companies in offering third-party manufacturing services a comprehensive range of pharmaceutical products tailored to the specific requirements of its clients. This association stands as a testament to its reliability, trustworthiness and commitment to delivering excellence. Your Company takes immense pride in its ability to meet the diverse needs of its clients through its state-of-the-art manufacturing facilities and commitment towards strict quality standards.

#### **Active Pharmaceutical Ingredients (“API”) Market**

The global API market was valued at USD 211 billion in 2022 and is anticipated to grow at a CAGR of 6.5% from 2022 to 2030. The global API market is expected to reach around USD 350 billion by 2030.

The increasing prevalence and burden of chronic diseases, infectious diseases and genetic disorders worldwide are driving the demand for effective and safe drugs, which in turn increases the demand for APIs across the globe. However, the drug price control policies across various countries, high competition between API manufacturers and stringent regulations are expected to impede the growth of the API market over the forecast period.

Indian manufacturer API plays a significant role in the industry and contribute around 8% to the global API industry. Still Indian pharma industry depends heavily on imports for API and basic chemicals highlighting the need for a resolution. To address the same, Government has introduced the PLI to enhance the manufacturing capabilities and production in this sector. With PLI scheme, Indian API business is aiming for self-sustainability in coming years for which China dependence was high.

Globally API manufacturing base is also getting expanded as local governments are pushing healthcare companies to start API manufacturing in the country. API business dynamics is rapidly moving forward to sustainability and organisations are preparing for new challenges and opportunities.

Your Company has three manufacturing plants for API which mainly caters towards the captive consumption for its formulation plant. During the year, Unichem became part of Ipca group, one of the world’s leading API manufacturers, with its proven cost competitiveness. This will further enhance its portfolio with focus on quality, reliability & excellence apart from the rising trend of outsourcing of APIs.

#### **Manufacturing Operations**

India’s pharmaceutical companies need to adhere towards stringent quality standards, ensuring the safety and efficacy of their products. Not surprisingly, more than half of the drugs manufactured in India go to highly regulated markets. Every third pill in the USA and every fourth pill sold in Europe is made in India.

The Government’s policies have increasingly been tailored towards supporting and expanding the economy’s manufacturing footprint, as a source of improving growth and employment. Initiatives like the National Manufacturing Policy and the PLI scheme for manufacturing is helping the gradual shift of manufacturing sector in India to a more automated and process-driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry.

During 2023-24, Unichem plants have spurred into a new phase of growth riding on the volume of formulation. Our formulation volume increased by 64% where all three sites contributed to the growth and Goa unit 2 entered into a significant commercial phase. API sites contributed to feed the captive API to the formulation sites and complemented the input in time to support the volume increase. Kolhapur site had a significant increase in its volume growth to the order of 34%. USA has been the major business focus during the fiscal year 2023-24 with 40% increase in the sales over the previous financial year. CMO is another segment where Unichem grew by 48%. Brazil has also shown northward increase by around 90% in the business.

Unichem’s manufacturing operations are highly regulated and during the year 2023-24 the Company was able to demonstrate growth in business while sustaining robust compliance. The company continues to be regulated by health authorities namely USFDA, Medicines and Healthcare Products Regulatory Agency (MHRA), Ministry of Health of the Russian Federation, European Medicines Agency (EMA), Health Canada etc., which endorses the quality and safety of the product. The manufacturing operations continued to improve 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 also switched from fossil fuel to biofuel for Roha and Kolhapur site to contribute towards green energy. Unichem successfully underwent USFDA inspection of Ghaziabad site with “Zero 483”.

Your Company not only delivered multiple debottlenecking and cost reduction projects but also carried out multiple GMP upgrades. As a business strategy, Company have also initiated significant backward integration and upscaling to the key starting material level for 6-8 of major captive APIs. At Pithampur API site, Company has commenced the phase 1 of capital project which shall build a volumetric

block to the tune of 240 KL, with three clean rooms, so as to align manufacturing capacity addition for 5 of its captive APIs to produce 600-700 MT API per annum. The Company continues to embrace sustainable practices, focusing on reducing waste, energy efficiency and responsible manufacturing processes.

### **Opportunities & Threats**

The global pharmaceutical market is constantly evolving, presenting both challenges and opportunities for businesses within the industry. As the global population continues to age, the demand for effective treatments is expected to rise. Additionally, the emergence of new infectious diseases and global pandemics has further emphasized the need for innovative pharmaceutical solutions. One of the key drivers of growth in the pharmaceutical market is the increasing prevalence of chronic diseases. With advancements in medical research and increasing demand for healthcare services, the pharmaceutical market will witness substantial growth.

India's trade performance in near future will be influenced by global headwinds including Red Sea threats, expensive crude oil and EU Carbon tax that can make exports to the region costly. As India's share in world trade is just 2%, focus on enhancing sectoral competitiveness in labour reforms and ease of doing business initiatives can surprise with some better export performance. India is one of the lowest priced market in the world, over the past three years, the annual price increase of medicines has been lower than WPI and CPI.

The pharmaceutical sector is a significant contributor to India's economy, employing million directly and indirectly. The industry's growth has led to the establishment of research centres, manufacturing units and a robust supply chain, boosting economic development in various regions of the country. Government initiatives such as allowing 100% FDI through automatic routes for greenfield pharmaceutical projects, implementing the PLI scheme for APIs to enhance manufacturing capacity, strengthening infrastructure facilities represent pivotal steps in the right direction.

Your Company now being part of Ipca Group will derive immense benefit from Ipca's capability & capacities, distribution network and product offerings which will contribute further to Company's growth.

### **Research & Development ("R&D")**

Medical R&D is a crucial aspect of the industry. Innovation is pivotal for the success of businesses operating in the pharmaceutical market. Pharmaceutical companies invest significant resources in conducting clinical trials and studies to discover new drugs and therapies. These R&D efforts aim to address unmet medical needs and improve patient outcomes.

The Indian pharma industry is a knowledge driven sector and of strategic importance to the nation and is a traditional production hub for generic medicines. It holds the third position globally in volume terms, comes at 14th place when ranked in terms of the value of its pharmaceutical production.

Generative AI ("GenAI") offers a promising template for Indian pharma industry to orchestrate a much-needed scale up across the value chain. GenAI could be a transformative tool for pharma companies that promises to significantly impact drug development in an industry that has witnessed limited progress in recent decades. EY India's GenAI report has projected that GenAI could contribute USD 4-5 billion addition to the Gross Value Added of the Indian pharma sector by 2030.

Compared to global pharma firms that typically spend around 20-25% of their revenues on R&D, Indian companies spend approximately 8% of their revenues on the same. The limitations faced by the Indian pharma industry in making breakthroughs in new drug discovery are linked to the general lack of resources to compete with drug majors from the USA and Europe. The process needs policy support given that in India, the links between industry and academia are tenuous compared to the Western markets.

Over the years, Unichem has invested significantly in 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. It is fully equipped to conduct pre-formulation studies, prototype development as facilities are equipped with cutting-edge pharmaceutical research technology. 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 75+ ANDAs and 77 DMFs across markets and therapeutic categories. Company expects an increase in the number of filings and approvals in time to come. During the year under review, Unichem had filed three ANDAs, one USDMF, one Canadian, one Chinese dossier and initiated new API development for API marketing purposes.

R&D efforts are strategically focused on cost rationalisation, reverse engineering and capacity enhancement for filing commercial ANDAs & DMFs in existing markets as well as for new markets. The sustained efforts of R&D resulted in two ANDA approvals, four launches in the largest generic market of USA and two launches in South Africa during the year. Company has submitted one ANDA and twenty-three dossiers in emerging markets. It expects an increase in the number of filings and approvals in time to come.

### **Financial Performance**

#### **Consolidated Operations**

The Company registered Revenue from Operations of ₹ 1,704.89 cr. during the financial year 2023-24 as against ₹ 1,343.02 cr. in the previous year, registering a growth of 26.9%.

The profit after tax for the financial year 2023-24 after exceptional items of ₹ (57.61) cr. is ₹ (70.47) cr. as compared to ₹ (202.23) cr. in the previous year.

The gross profit margin at consolidated level for the financial year 2023-24 was higher by 2% over the previous year due to various initiatives taken including yield improvements and product mix.

USA continues to remain prominent geographical area for your Company business as it contributes around 58% of revenues and has been a key growth driver for the Company. The year witnessed robust growth not only in USA but also in Brazil and Europe as compared to the previous financial year. The cost reduction steps for energy saving, solvent recovery improvement and over-head cost had contributed significantly in the overall profitable growth.

Your Company has registered strong performance, despite the headwinds from a volatile global environment and supply chain constraints. It has successfully navigated through these challenges by maintaining disciplined approach on cash preservation with sales growth to achieve margin expansion. As a result, operating cashflow at consolidated level has increased from negative ₹ (85.09) cr. to positive ₹ 16.69 cr. over financial year 2022-23.

### Standalone Operations

During the financial year 2023-24, the Company registered Revenue from Operations of ₹ 1,442.17 cr. as against ₹ 1,072.43 cr. in the previous year, representing a growth by 34.5%.

The profit after tax for the fiscal year 2023-24 after exceptional items of ₹ (57.61) cr. is ₹ (92.18) cr. against ₹ (299.70) cr in the previous year.

Capital expenditure carried out during the financial year 2023-24 was ₹ 20.37 cr. The Company operates in only one segment – pharmaceutical and related products.

Break-up of Sales on Standalone basis is as under:

(₹ in cr.)

| Particulars          | 2022-2023      |              |              |        | 2023-2024    |              |              |        |
|----------------------|----------------|--------------|--------------|--------|--------------|--------------|--------------|--------|
|                      | Domestic       | Exports      | Total        | Growth | Domestic     | Exports      | Total        | Growth |
| Formulations         | -              | 882.31       | 882.31       | 15.5%  | 0.90         | 1,249.47     | 1,250.37     | 41.7%  |
| APIs & Intermediates | 32.21          | 115.99       | 148.20       | (4.6%) | 40.08        | 102.17       | 142.25       | (4.0%) |
| Total Sales          | 32.21          | 998.30       | 1,030.51     | 12.1%  | 40.98        | 1,351.64     | 1,392.62     | 35.1%  |
| <b>Growth</b>        | <b>(21.9%)</b> | <b>13.7%</b> | <b>12.1%</b> |        | <b>27.2%</b> | <b>35.4%</b> | <b>35.1%</b> |        |

Increased stability in USA generics was a respite but sustained momentum will be critical to drive overall growth. Company is committed to focus on exercising disciplined cost control, increasing productivity and operational efficiencies at all levels to spur growth.

During the year Unichem become subsidiary of Ipca Laboratories Limited and is now part of Ipca group. The results are the testimony towards successful business transformation which happened at the end of the first half of the fiscal year.

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 & Concern

Despite its promising growth prospects, the global pharmaceutical market is not without its challenges. One major obstacle is the stringent regulatory environment governing drug development and approval. The approval process can be lengthy and costly, often delaying the launch of innovative treatments. It is usually characterized by strict approval processes and strong patent legislation. The availability, approval of drugs and the period of exclusivity vary greatly from country to country. Drug manufacturers also face stricter access and pricing environments across key geographies as health systems pursue reforms to control health care spending. Overcoming these challenges requires continuous innovation, strategic partnerships and a balance between affordability and profitability.

Regulatory bodies such as the USFDA in United States and the EMA in Europe play a vital role in approving and monitoring pharmaceutical products. Compliance with these regulations is essential for pharmaceutical companies to bring their products to market.

Geopolitical developments continue to pose significant uncertainty to regional and global growth. Another challenge is the increasing competition within the market. With numerous players vying for market share, pharmaceutical companies need to differentiate themselves through innovation and strategic partnerships. To stay ahead, companies invest heavily in R&D to discover new drugs and therapies. This involves conducting extensive laboratory experiments, clinical trials and data analysis to identify potential breakthroughs.

The regulatory landscape that the Indian pharma industry operates under is one of the most complex ecosystems. The existing regulatory framework involves multiple agencies which often leads to lengthy approval timelines for companies. Simplifying these

processes is crucial not only to speed up the journey from the laboratory to the market and foster sustainable growth, but also for the purpose of nurturing innovation. Indian regulations should align with global standards to establish itself as a global quality benchmark. Harmonisation with international regulatory bodies will help producers command greater trust globally and encourage international collaborations which are vital for the sector to reach its next level.

Your Company has strong monitoring systems, access restrictions, firewalls and backups to ensure the data privacy. Our business functions are the primary source of risk identification. The Company Risk Management Policy and risk management initiatives are periodically updated to the Committee.

During financial year 2023-24, risk mitigation efforts included the review of risks and mitigations related to cyber security, data privacy, compliances, pharmacovigilance, quality and foreign exchange risk. The Company's assets continue to be adequately insured against various risks.

The Company certifies its IT infrastructure and information security management system across sites and conduct a third-party vulnerability analysis, including simulated hacker attacks.

### **Outlook**

The Pharmaceutical market is heavily influenced by macroeconomic factors such as government policies, healthcare spending and demographic trends. In developed countries, there has been a rise in health care spending, driven by an aging population and a rise in chronic diseases. In developing countries, there has been a focus on improving access to healthcare, with a rise in government funding and investment from international organizations. Additionally, there has been a growing trend towards digitalization and automation, which has led to increased efficiency and cost savings in the pharmaceutical supply chain.

Escalating geopolitical tensions, choking arterial routes of global trade and volatile global financial conditions impart uncertainty to the outlook. The overall outlook is challenged by continuing geopolitical conflicts, disruptions in trade routes and high public debt burden in both advanced and emerging market economies. These are dormant risks which could erupt abruptly.

Amidst global challenges, the Indian economy has stayed resilient. Buoyed by strong domestic demand and backed by robust macroeconomic fundamentals, India has emerged as the fastest growing major economy of the world in 2023-24. The Indian economy with better capacity utilization in manufacturing sector, healthy corporate balance sheets, strong credit momentum, Government's capex push and an acceptable level of inflation is expected to provide impetus to the growth momentum going forward.

As India envisions itself as a USD 30 trillion plus economy by 2047, a GDP target for Viksit Bharat, the manufacturing sector and exports will have to grow multiple times. To enhance this sector's competitiveness, the country needs to prioritise R&D, quality production scale, digitalisation, skill development and a holistic approach to the entire value chain. The sector transformation from volume to value leadership will rely on a robust regulatory ecosystem that prioritises customer centricity with striking an optimal balance between access, affordability and innovation. Collaboration among key stakeholders – the government, regulators, industry and academia – will help India realise this vision and meeting the unmet needs of patients globally, which will have a positive impact on the nation's economy.

The industry focus has clearly shifted from mere capacity addition to technology adoption, green initiatives and efficiency improvement to global standards. The government focus on infrastructure development, reducing logistics cost for the country and policy initiative for ease of doing business will further increase the competitiveness of the industry. The sector impacts extend beyond economic growth, touching the lives of millions worldwide by providing affordable medicines, driving innovation and contributing to global health initiatives. As the industry continues to evolve and extend its horizons, its role in shaping a healthier world remains unparalleled.

In this backdrop, the Company possesses the necessary capability and flexibility to continuously rebalance its approach and strategy to benefit from the dynamic business environment. Unichem now being part of Ipca group, can penetrate in new markets, with a combine resource and presence, can strengthen its foothold in existing ones. Company will continue to strengthen its capabilities further by focusing on productivity & efficiencies and on sustainability goals to achieve profitable growth.

### **Internal Control Systems**

The Company has an adequate internal control system commensurate with the nature and size of its business operations. The Company has put in place robust policies and procedures, which, *inter-alia*, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records and the prevention & detection of frauds & errors. The management duly considers and takes appropriate & timely actions on the recommendations made by the audit committee, statutory auditor, cost auditor and internal auditor.

Company has put in place an adequate internal control system to safeguard all its assets and ensure operational excellence. Internal control framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. The framework covers:

- Well-defined delegation of power with authority limits are in place for approving revenue as well as capex expenditure at a level of organisational hierarchy. This enables ease of decision-making in day-to-day affairs.
- Financial control is effectively managed through the annual budgeting process and its monitoring is conducted through monthly reviews.

- The Company has a state-of-the-art ERP system to record data for accounting information and connects to various locations for efficient exchange of information.

Internal audit and 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 upgradations, Company has in place the latest technology (encrypted) of hardware to maintain backup 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 infrastructure and data. A disaster recovery mechanism is in place for business applications and quality instrumental data.

All employees go through a thorough security induction upon joining. Awareness campaigns are conducted periodically and address potential security risks and threats on several topics such as phishing & hacking, including elements of the Code of Business Ethics, and these are followed by on-the-spot training. Employees are encouraged to report incidents to a 24x7 managed mailbox.

### **Human Resources**

The year 2023-24 heralded a new dawn for Unichem with the advent of Ipca Laboratories to forge a momentous alliance. New possibilities, new thought process, new vision and aspirations to galvanise the organisation into a growth trajectory was the focus. The convergence of shared values between two organisations will result in substantial advantage to team Unichem as well as its valued customers alike in the days to come.

Recognising that effective communication and alignment are vital for navigating transitions, Company conducted sessions and interactions with its colleagues across locations to align them with the ideologies of the new Management and ensure whole hearted participation in the future growth strategies. An environment of open dialogue fostering a healthy culture was the objective of these communication forums.

Business objective of exponential growth warranted new plans being made for synergistic approach to achieve the goals of the organisation. Regular meetings were conducted with key stakeholders to ensure that everyone is aligned and working towards a common objective essential for fostering a spirit of collaboration and ultimately driving success.

In continuation to its commitment towards upskilling employees and helping them grow, Company has ensured making Learning Management System more robust. Detailed training modules on multiple facets like operation and maintenance of shop floor equipment were developed and delivered. Subject matter experts at the site were encouraged to conduct knowledge sharing interactions. Several training and awareness sessions for employees were conducted across locations.

Company is dedicated in encouraging a positive and engaging work culture. Celebrating national events like Republic Day and Independence Day as well as cultural festivals like Mahashivratri, Diwali & Vishwakarma Pooja not only added vibrancy to the workplace but also helped employees stay connected to their cultural roots. Acknowledging and celebrating events like International Women's Day and Safety Day demonstrated commitment to important causes. These celebrations had enthusiastic participation by colleagues.

The Unichem Brilliant Students awards to meritorious children of employees continues to endeavor to connect with employees and their families beyond just the workplace.

The online compliance dashboard continues to grow from strength to strength helping to be pro-active in identifying anomalies and to be compliant with all statutory requirements.

In alignment with our consistent efforts to scale up business through onboarding the right talent, various recruitment drives were held. Goa location received appreciation from Chief Minister's office for creating employment opportunities for local youth.

Unichem continues to have harmonious relationships with Union representatives. The number of employees as on 31st March, 2024 was 3,194.

### **Cautionary Statement**

*Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods' prices, changes in government regulations & policies, tax regimes, economic conditions within India and the countries within which the Company conducts business and other such factors. The Company does not undertake to update these statements.*



# Annexure B to Directors' Report

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Code of Governance

Corporate Governance serves as the guiding principle determining the management approach within a corporation. It establishes a structure where the company's principles, policies and procedures are rooted in fundamental ethical values. This framework encompasses legislative, regulatory and ethical business components.

The company upholds a corporate governance philosophy aimed at empowering the Board to fulfill its duties effectively, ensuring financial responsibility, ethical conduct and equity among stakeholders. Robust internal control systems are in place across all operations, guaranteeing timely & accurate disclosure of material, operational and financial information to stakeholders. With a commitment to excellence, empowerment and responsibility, the company channels its resources and strategies toward its mission of advancing health through quality products.

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and relevant provisions of the Companies Act, 2013 ("the Act"), Corporate Governance Report adhering to the Listing Regulations is as under.

### Board of Directors

#### Composition & Category of Directors

The Board of Directors holds the mandate for managing the Company's operations. In alignment with Corporate Governance standards, all significant information is presented to the Board to facilitate its role in strategically supervising the Company.

As of 31st March, 2024, Unichem's Board consisted of nine Directors, comprising one Whole-time Director, two Non-Executive & Non-Independent Directors and six Non-Executive & Independent Directors, including one Independent Woman Director. Tenure for second term of five years as Independent Director of Mr. Prafull Anubhai, Mr. Prafull Sheth and Mr. Anand Mahajan got completed on 31st March, 2024, leading to their retirement. No director is having permanent Board seat.

Composition of Board, their other directorships & committee Membership/Chairmanship and their attendance in Board/ Annual General Meeting ("AGM") during the financial year is as under:

| Name   | Category  | Attendance in financial year |     | Shareholding in the Company as on 31st March, 2024 | No. of Directorships in other public companies <sup>1</sup> | No. of committee positions in other public companies <sup>2</sup> |          | Name of listed companies where directorship is held and its category          |
|--|---|------------------------------|-----|--|---|---|----------|---|
|  |   | Board                        | AGM |  |   | Member  | Chairman |   |
| Dr. Prakash A. Mody (DIN: 00001285)            | Non-Executive & Non-Independent Director (Chairman) | 6/7                          | Yes | 89,97,952  | 1   | 0   | 0        | Kewal Kiran Clothing Limited : Non-Executive & Independent Director*          |
| Mr. Dilip Kunkolienkar (DIN: 02666678)         | Director Technical                                  | 5/5                          | Yes | 279  | 0   | 0   | 0        | Nil   |
| Mr. Pabitrakumar Bhattacharyya (DIN: 07131152) | Managing Director                                   | 2/2                          | Yes | 1  | 1   | 0   | 0        | Krebs Biochemicals & Industries Ltd: Non-Executive & Non-Independent Director |
| Mr. Pranay Godha (DIN: 00016525)               | Non-Executive & Non-Independent Director            | 2/2                          | Yes | 0  | 1   | 0   | 0        | Ipca Laboratories Limited: MD & CEO   |
| Mr. Prafull Anubhai (DIN: 00040837)            | Independent Director                                | 6/7                          | Yes | 100  | 1   | 0   | 1        | Vardhman Textiles Limited: Non-Executive & Independent Director               |
| Mr. Anand Mahajan (DIN: 00066320)              | Independent Director                                | 6/7                          | Yes | 0  | 0   | 0   | 0        | Nil   |
| Mr. Prafull Sheth (DIN: 00184581)              | Independent Director                                | 6/7                          | Yes | 7,500  | 0   | 0   | 0        | Nil   |
| <sup>3</sup> Mrs. Priti Puri (DIN: 07755966)   | Independent Director                                | 7/7                          | Yes | 0  | 0   | 0   | 0        | Nil   |

| Name   | Category             | Attendance in financial year |      | Shareholding in the Company as on 31st March, 2024 | No. of Directorships in other public companies <sup>1</sup> | No. of committee positions in other public companies <sup>2</sup> |          | Name of listed companies where directorship is held and its category   |
|--|----------------------|------------------------------|------|--|---|---|----------|--|
|  |                      | Board                        | AGM  |  |   | Member  | Chairman |  |
| <sup>4</sup> Mr. Anand Kusre (DIN: 00818477)   | Independent Director | 1/1                          | N.A. | 0  | 1   | 0   | 0        | Ipca Laboratories Limited : Independent Director *   |
| <sup>4</sup> Mr. Arun Todarwal (DIN: 00020916) | Independent Director | 1/1                          | N.A. | 1,000  | 6   | 3   | 4        | Non-Executive & Independent Director:<br>- Nesco Limited<br>- Laxmi Organic Industries Limited<br>- Welspun Corp Limited *<br>- Anuh Pharma Limited ** |

Dr. Prakash Mody was re-designated as Non-Executive Non-Independent Director w.e.f. 10th August, 2023.

Mr. Dilip Kunkolienkar resigned as the director of the Company w.e.f. 10th August, 2023.

<sup>1</sup> Excludes Directorships in Private Limited Companies, Foreign Companies (including foreign subsidiaries of the Company) and Companies under Section 8 of the Act.

<sup>2</sup> Covers only Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

<sup>3</sup> The Shareholders of the Company vide a Special Resolution dated 3rd May, 2023 through Postal Ballot have appointed Mrs. Priti Puri as Non-Executive & Independent Director of the Company w.e.f. 21st March, 2023 for a period of three consecutive years.

<sup>4</sup> The Shareholders of the Company vide a Special Resolution dated 22nd March, 2024 through Postal Ballot have appointed Mr. Anand Kusre & Mr. Arun Todarwal as Non-Executive & Independent Directors of the Company w.e.f. 5th February, 2024 for a period of five consecutive years.

\* Completed term as Independent Director on 31st March, 2024.

\*\* Effective 1st April, 2024 became Non-Executive & Non-Independent Director.

The Company has not issued any convertible instruments during the financial year ended 31st March, 2024.

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

### Board Meeting and attendance

Board and committee meetings are pre-scheduled to ensure full attendance and active participation from all Board members. Throughout the year under review, Unichem's Board was convened seven times on the following dates: 24th April, 2023; 23rd May, 2023; 26th June, 2023; 14th July, 2023; 9th August, 2023; 1st November, 2023 and 5th February, 2024. The duration between successive Board Meetings adhered to the time limits stipulated in the Act and the Listing Regulations, as amended periodically.

The Company Secretary collaborates with the Managing Director ("MD") to prepare the agenda for meetings. This agenda outlines the business to be addressed, supported by accompanying notes, presentations and action taken reports as necessary. Directors receive the agenda at least seven days prior to the scheduled Board and committee meetings. For agenda items that are price-sensitive, shorter notice periods are observed.

Draft minutes of the Board and Committee meetings are circulated to Directors within 15 days from the meeting date and any suggestions received from the members are duly incorporated.

### Independent Directors & their familiarisation

All Independent Directors have affirmed their compliance with the criteria for independence outlined in Section 149(6) of the Act and Regulation 16(b) of the Listing Regulations. It is further confirmed that the Independent Directors fulfill the requirements specified in the Listing Regulations and maintain their independence from the Management.

During the year under review, the Independent Directors met two times on 9th August, 2023 and 5th February, 2024.

On 9th August, 2023, it met to give their comments and recommendations on the Letter of Offer pursuant to the Open Offer by Ipca Laboratories Limited under SEBI (Substantial Acquisition Of Shares And Takeovers) Regulations, 2011

On 5th February, 2024, Independent Directors met to convene matters prescribed under Schedule IV of the Act and Listing Regulations. All Independent Directors attended both the Meetings, except Mr. Prafull Sheth on 5th February, 2024.

The Company has designed familiarization program to acquaint Independent Directors with their roles, rights and responsibilities within the organization, as well as with the industry dynamics and the Company's business model. Details regarding the familiarization program and the specific training provided to Independent Directors throughout the year can be accessed on the Company's website at <https://unichemlabs.com/pdf/press-release/2023/01/Familiarization-Programme.pdf>.

The Company recognizes the importance of keeping the Board abreast of the latest developments in both its internal operations and the external factors impacting the business and industry. In addition to financial presentations, discussions on business strategies and updates on compliance matters, the Board regularly engages in comprehensive discussions during meetings to ensure Directors are well-versed in the Company's strategy and operations.

### Brief profile of Directors seeking appointment/re-appointment

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

**Core skills/expertise/competencies identified by the Board of Directors that are required in the context of the business of the Company are as under:**

| Sr. No. | Skill/Expertise/Competencies      | Name of the Director who possesses the same                                 |
|---------|-----------------------------------|---|
| 1       | Business leadership               | Dr. Prakash A. Mody<br>Mr. Pranay Godha                                     |
| 2       | Corporate strategy                | Dr. Prakash A. Mody<br>Mr. Pranay Godha<br>Mr. Pabitrakumar Bhattacharyya   |
| 3       | Compliance and general management | Mr. Pranay Godha<br>Mr. Arun Todarwal<br>Mrs. Priti Puri<br>Mr. Anand Kusre |
| 4       | Manufacturing & Marketing         | Dr. Prakash A. Mody<br>Mr. Pabitrakumar Bhattacharyya<br>Mr. Pranay Godha   |
| 5       | Finance and Accounting            | Mr. Pabitrakumar Bhattacharyya<br>Mr. Arun Todarwal<br>Mr. Pranay Godha     |
| 6       | Research & Development            | Mr. Pranay Godha<br>Mr. Anand Kusre   |

### Performance evaluation

In compliance with the Act and Regulation 17(10) of the Listing Regulations, the Board conducted an annual performance assessment of its own functioning, its Committees and individual Directors. The evaluation of Independent Directors was conducted by the entire Board, excluding the Directors under evaluation, utilizing a structured questionnaire formulated based on inputs from the Directors, encompassing various aspects of the Board and Committees' operations.

In a separate meeting of IDs, performance of Non-Independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

Directors were evaluated based on multiple criteria, including vision and strategy, Board participation, review of management policies, compliances and leadership capabilities. The Directors conveyed their contentment with the evaluation procedure.

### Compliance with the Code of Business Conduct and Ethics

The Company has embraced a Code of Business Conduct and Ethics, readily accessible on its website through the weblink <https://www.unichemlabs.com/code-of-business-conduct-ethics.php>.

The company upholds workplace integrity and ethical business practices. All members of the Board and Senior Management Personnel have confirmed their adherence to the aforementioned Code for the financial year ending 31st March, 2024. A declaration to that effect signed by the Managing Director is annexed to this report.

### Audit Committee

The primary responsibility of the Audit Committee is to oversee internal controls and the financial reporting process, ensuring the accurate and prompt disclosure of information. This commitment ensures transparency, integrity and high quality of financial controls and reporting.

The Committee's scope of work encompasses all matters outlined for Audit Committees in Section 177 of the Act and Regulation 18 of the Listing Regulations. This includes mandatory reviews of internal audit reports, management discussions and analysis of financial condition and operational results, statements regarding significant related party transactions and other prescribed matters. The Deputy Chief Financial Officer, Internal Auditor and a representative of the Statutory Auditors were regular invitees to the Meetings.

The Company Secretary acts as a Secretary to this Committee.

The maximum gap between any two meetings was well within the time limit prescribed in Act and the Listing Regulations as amended from time to time. The Committee was reconstituted twice during the year i.e. on 9th August, 2023 and 5th February, 2024 due to change of management and appointment of new Directors respectively.

The composition and attendance of the Committee during the financial year 2023-24 is as under:

| Name of the Director           | Position                    | Meeting Dates  |                 |                  |                    |                    | Held during the tenure | Attended |
|--------------------------------|-----------------------------|----------------|-----------------|------------------|--------------------|--------------------|------------------------|----------|
|                                |                             | 23rd May, 2023 | 14th July, 2023 | 9th August, 2023 | 1st November, 2023 | 5th February, 2024 |                        |          |
| Mr. Prafull Anubhai            | Chairman (up to 05.02.2024) | ✓              | ✓               | ✓                | ✓                  | ✓                  | 5                      | 5        |
| Mr. Dilip Kunkolienkar         | Member (up to 09.08.2023)   | ✓              | ✓               | ✓                | N.A.               | N.A.               | 3                      | 3        |
| Mr. Prafull Sheth              | Member (up to 05.02.2024)   | ✓              | ✓               | ✓                | ✓                  | x                  | 5                      | 4        |
| Mr. Anand Mahajan              | Member (up to 05.02.2024)   | ✓              | ✓               | ✓                | ✓                  | ✓                  | 5                      | 5        |
| Mr. Pabitrakumar Bhattacharyya | Member (from 10.08.2023)    | N.A.           | N.A.            | N.A.             | ✓                  | ✓                  | 2                      | 2        |
| Mrs. Priti Puri                | Member (from 05.02.2024)    | N.A.           | N.A.            | N.A.             | N.A.               | N.A.               | N.A.                   | N.A.     |
| Mr. Anand Kusre                | Member (from 05.02.2024)    | N.A.           | N.A.            | N.A.             | N.A.               | N.A.               | N.A.                   | N.A.     |
| Mr. Arun Todarwal              | Chairman (from 05.02.2024)  | N.A.           | N.A.            | N.A.             | N.A.               | N.A.               | N.A.                   | N.A.     |

### Nomination and Remuneration Committee

The Committee's terms of reference are comprehensive, encompassing all matters specified for Committees under Section 178 of the Act and Regulation 19 of the Listing Regulations. The Company Secretary acts as a Secretary to this Committee.

The committee was reconstituted on 5th February, 2024 due to appointment of new Directors.

The composition and attendance of the Committee during the financial year 2023-24 is as under:

| Name of the Director | Position                   | Meeting Dates    |                 |                  |                    | Held during the tenure | Attended |
|----------------------|----------------------------|------------------|-----------------|------------------|--------------------|------------------------|----------|
|                      |                            | 24th April, 2023 | 26th June, 2023 | 9th August, 2023 | 5th February, 2024 |                        |          |
| Mr. Prafull Anubhai  | Chairman (upto 05.02.2024) | x                | ✓               | ✓                | ✓                  | 4                      | 3        |
| Mr. Prafull Sheth    | Member (upto 05.02.2024)   | ✓                | ✓               | ✓                | x                  | 4                      | 3        |
| Mr. Anand Mahajan    | Member (upto 05.02.2024)   | ✓                | x               | ✓                | ✓                  | 4                      | 3        |
| Mrs. Priti Puri      | Member (from 05.02.2024)   | N.A.             | N.A.            | N.A.             | N.A.               | N.A.                   | N.A.     |
| Mr. Anand Kusre      | Chairman (from 05.02.2024) | N.A.             | N.A.            | N.A.             | N.A.               | N.A.                   | N.A.     |
| Mr. Arun Todarwal    | Member (from 05.02.2024)   | N.A.             | N.A.            | N.A.             | N.A.               | N.A.                   | N.A.     |

### Remuneration of Directors

During the fiscal year 2023-24, there were no financial relationships or transactions between the Non-Executive Directors and the Company, except for the remuneration received as here under:

(₹ in Lakhs)

| Name of the Director                        | Sitting Fees | Commission payable for 2023-24 | Consolidated Salary | Perquisites and Allowances | Total Amount |
|---|--------------|--------------------------------|---------------------|----------------------------|--------------|
| Dr. Prakash A. Mody <sup>1</sup>            | 1.00         | Nil                            | 1,176.23            | 0.14                       | 1,177.37     |
| Mr. Dilip Kunkolienkar <sup>2</sup>         | N.A.         | N.A.                           | 283.47              | 4.46                       | 287.93       |
| Mr. Pranay Godha                            | 3.00         | N.A.                           | N.A.                | N.A.                       | 3.00         |
| Mr. Pabitrakumar Bhattacharyya <sup>3</sup> | N.A.         | N.A.                           | 187.50              | 0.00                       | 187.50       |
| Mr. Prafull Anubhai                         | 14.00        | N.A.                           | N.A.                | N.A.                       | 14.00        |
| Mr. Anand Mahajan                           | 13.00        | N.A.                           | N.A.                | N.A.                       | 13.00        |
| Mr. Prafull Sheth                           | 12.00        | N.A.                           | N.A.                | N.A.                       | 12.00        |
| Mrs. Priti Puri                             | 8.50         | N.A.                           | N.A.                | N.A.                       | 8.50         |
| Mr. Arun Todarwal                           | 1.00         | N.A.                           | N.A.                | N.A.                       | 1.00         |
| Mr. Anand Kusre                             | 1.00         | N.A.                           | N.A.                | N.A.                       | 1.00         |

<sup>1</sup> Became Non-Executive & Non-Independent w.e.f. 10th August, 2023

<sup>2</sup> Remuneration of Mr. Dilip Kunkolienkar is till 9th August, 2023

<sup>3</sup> Mr. Pabitrakumar Bhattacharyya was appointed as Managing Director w.e.f. 10th August, 2023

Managing Director's appointment may be terminated by giving three months written notice or by any shorter notice as may be mutually agreed to between the Managing Director and the Board of Directors.

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is responsible for various tasks including addressing shareholder and investor grievances, facilitating share transmission, resolving issues related to non-receipt of annual reports or declared dividends, issuance of duplicate shares and reviewing share dematerialization processes. Additionally, the Committee is dedicated to enhancing shareholder satisfaction and fostering robust investor relations.

The Committee's terms of reference is wide enough encompassing matters specified under Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

To serve the investors better and as required under Regulation 46(2)(j) of the Listing Regulations, the Company's Grievance Redressal division has a designated email address for investor complaints, [shares@unichemlabs.com](mailto:shares@unichemlabs.com). The Company's Compliance Officer monitors this email regularly.

The Committee was reconstituted twice during the year i.e. on 9th August, 2023 and 5th February, 2024 due to change of management and appointment of new Directors respectively. The Company Secretary is the Compliance Officer and acts as a Secretary to this Committee.

During the year 1 (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.

The composition and attendance of the Committee during the financial year 2023-24 is as under:

| Name of the Director           | Position                   | Meeting Date 23rd May, 2023 | Attended |
|--------------------------------|----------------------------|-----------------------------|----------|
| Dr. Prakash A. Mody            | Member (upto 09.08.2023)   | ✓                           | 1        |
| Mr. Prafull Anubhai            | Chairman (upto 05.02.2024) | ✓                           | 1        |
| Mr. Pranay Godha               | Member (from 10.08.2023)   | N.A.                        | N.A.     |
| Mr. Pabitrakumar Bhattacharyya | Member (from 05.02.2024)   | N.A.                        | N.A.     |
| Mrs. Priti Puri                | Member                     | ✓                           | 1        |
| Mr. Anand Kusre                | Chairman (from 05.02.2024) | N.A.                        | N.A.     |

### Risk Management Committee

The roles and responsibilities of the Risk Management Committee includes all the matters listed under Part D of Schedule II of Listing Regulations such as monitoring and review of risk management plan and reporting the same to the Board of Directors as it may deem fit and any other terms as may be referred to them by the Board of Directors, from time to time. The Management Discussion and Analysis Report in the Annual Report 2023-24 includes a dedicated section outlining the Company's risk management practices.

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 Committee was reconstituted twice during the year i.e. on 9th August, 2023 and 5th February, 2024 due to change of management and appointment of new Directors respectively.

The composition and attendance of the Committee during the financial year 2023-24 is as under:

| Name of the Director           | Position   | Meeting Dates     |                    | Held during the tenure | Attended |
|--------------------------------|--|-------------------|--------------------|------------------------|----------|
|                                |  | 10th August, 2023 | 5th February, 2024 |                        |          |
| Dr. Prakash A. Mody            | Chairman (upto 09.08.2023)   | N.A.              | N.A.               | N.A.                   | N.A.     |
| Mr. Dilip Kunkolienkar         | Member (upto 09.08.2023)   | N.A.              | N.A.               | N.A.                   | N.A.     |
| Mr. Prafull Sheth              | Member (upto 05.02.2024)   | ✓                 | N.A.               | 1                      | 1        |
| Mr. Pranay Godha               | Chairman (from 10.08.2023 to 05.02.2024)<br>Member (from 05.02.2024) | ✓                 | ✓                  | 2                      | 2        |
| Mr. Pabitrakumar Bhattacharyya | Member (from 10.08.2023)   | ✓                 | ✓                  | 2                      | 2        |
| Mr. Anand Kusre                | Member (from 05.02.2024)   | N.A.              | ✓                  | 1                      | 1        |
| Mr. Arun Todarwal              | Chairman (from 05.02.2024)   | N.A.              | ✓                  | 1                      | 1        |

### Corporate Social Responsibility Committee (“CSR”)

The Committee's terms of reference are broadly defined and are in alignment with the CSR policy of the Company.

- To enhance the existing CSR Policy to comprehensively outline the activities to be undertaken by the Company in accordance with Schedule VII of the Act.
- To offer guidance on the various CSR initiatives to be pursued by the Company and to oversee their implementation and progress.

The Company Secretary acts as a Secretary to this Committee. The Committee was reconstituted twice during the year i.e. on 9th August, 2023 and 5th February, 2024 due to change in management and appointment of new Directors respectively.

The composition and attendance of the Committee during the financial year 2023-24 is as under:

| Name of the Director           | Position   | Meeting Date 23rd May, 2023 | Attended |
|--------------------------------|--|-----------------------------|----------|
| Dr. Prakash A. Mody            | Chairman (upto 09.08.2023)   | ✓                           | 1        |
| Mr. Prafull Anubhai            | Member (upto 05.02.2024)   | ✓                           | 1        |
| Mrs. Priti Puri                | Member (upto 05.02.2024)   | ✓                           | 1        |
| Mr. Pranay Godha               | Chairman (from 10.08.2023 to 05.02.2024)<br>Member (from 05.02.2024) | N.A.                        | N.A.     |
| Mr. Pabitrakumar Bhattacharyya | Member (from 05.02.2024)   | N.A.                        | N.A.     |
| Mr. Arun Todarwal              | Chairman (from 05.02.2024)   | N.A.                        | N.A.     |

Particulars of senior management including the changes therein since the close of the previous financial year is as under:

| Name  | Designation   |
|---|---|
| Dr. Prakash Mody (Chairman & Managing Director upto 09.08.2023) | Chairman  |
| Mr. Pabitrakumar Bhattacharyya (from 10.08.2023)                | Managing Director   |
| Mr. Santosh Mahil (upto 27.03.2024)                             | Chief Commercial & International Business Development Officer |
| Mr. Jalesh Burye  | Chief Quality & Compliance officer                            |
| Dr. Dhananjay Sathe   | Chief Scientific & Compliance officer                         |
| Mr. A. V. Anantharaman (upto 10.05.2023)                        | Chief Human Resources and Compliance Officer                  |
| Dr. Ashwani Kumar   | Chief Manufacturing & Compliance officer                      |
| Ms. Supriya Prakash Mody (upto 15.05.2023)                      | Associate Vice President                                      |
| Mr. Sandip Ghume  | Deputy Chief Financial Officer                                |
| Mr. Pradeep Bhandari  | Head – Legal & Company Secretary                              |

### General Body Meetings

Details of last three AGM are as under:

| AGM  | Year      | Venue                    | Date                         | Time       | Items of Special Resolution passed at each Meeting                                    |
|------|-----------|--------------------------|------------------------------|------------|---|
| 60th | 2022-2023 | Through Video Conference | Monday, 25th September, 2023 | 11:00 a.m. | To approve remuneration of Mr. Pabitrakumar Bhattacharyya as Managing Director.       |
| 59th | 2021-2022 | Through Video Conference | Tuesday, 9th August, 2022    | 2:00 p.m.  | None.   |
| 58th | 2020-2021 | Through Video Conference | Saturday, 31st July, 2021    | 11:30 a.m. | To approve remuneration payable to Dr. Prakash A. Mody, Chairman & Managing Director. |

### Postal Ballot

Procedure adopted for Postal Ballot was 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 had 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.

The result of the postal ballot along with the scrutinizer's report was displayed at the registered office of the Company, hosted at the Company's website at [www.unichemlabs.com](http://www.unichemlabs.com) and on the website of CDSL at <https://www.evotingindia.com> and was also communicated to the Stock Exchanges.

During the year under review, the Company conducted two Postal Ballots as detailed below, in accordance with the Section 110 of the Act and various MCA and SEBI circulars:

**i. Postal Ballot Notice dated 20th March, 2023**

Cut-off date for notice : Friday, 31st March, 2023  
Commencement of e-voting period : Tuesday, 4th April, 2023  
End of e-voting period : Wednesday, 3rd May, 2023

| Sr. No. | Particulars   | No. of votes polled | No. & % of votes in favour | No. & % of votes against |
|---------|---|---------------------|----------------------------|--------------------------|
| 1       | Special resolution seeking appointment of Ms. Priti Puri (DIN 07755966) as a Non-Executive Independent Director for a term of three years w.e.f. 21st March, 2023 | 4,34,62,119         | 4,34,57,221<br>99.9887%    | 4,898<br>0.0113%         |

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.

**ii. Postal Ballot Notice dated 5th February, 2024**

Cut-off date for notice : Friday, 16th February, 2024  
Commencement of e-voting period : Thursday, 22nd February, 2024  
End of e-voting period : Friday, 22nd March, 2024

| Sr. No. | Particulars   | No. of votes polled | No. & % of votes in favour | No. & % of votes against |
|---------|---|---------------------|----------------------------|--------------------------|
| 1.      | Special resolution seeking appointment of Mr. Anand Kusre (DIN 00818477) as a Non-Executive Independent Director for a term of five years w.e.f. 5th February, 2024                                 | 5,69,68,774         | 5,51,38,774<br>96.7877%    | 18,30,000<br>3.2123%     |
| 2.      | Special resolution seeking appointment of Mr. Arun Todarwal (DIN 00020916) as a Non-Executive Independent Director for a term of five years w.e.f. 5th February, 2024                               | 5,69,68,774         | 5,62,04,954<br>98.6592%    | 7,63,820<br>1.3408%      |
| 3.      | Ordinary resolution seeking material related party transaction(s) with Ipca Laboratories Limited ("Ipca"), holding company of Unichem Laboratories Limited ("Unichem")                              | 74,78,188           | 74,78,094<br>99.9987%      | 94<br>0.0013%            |
| 4.      | Ordinary resolution seeking material related party transaction(s) between Ipca, holding company of Unichem and Unichem Pharmaceuticals USA Inc. ("Unichem USA"), wholly owned subsidiary of Unichem | 74,78,188           | 74,78,119<br>99.9991%      | 69<br>0.0009%            |
| 5.      | Ordinary resolution seeking material related party transaction(s) with Unichem USA, wholly owned subsidiary of Unichem  | 74,78,188           | 74,78,094<br>99.9987%      | 94<br>0.0013%            |

Mr. Alwyn D'Souza of Alwyn Jay & Co, Practicing Company Secretary (C. P. No. 5137) was appointed as the Scrutinizer for carrying out the Postal Ballot voting process.

## Means of Communication

- The company releases its unaudited quarterly or half-yearly results within forty-five days from the end of the quarter and annual results within sixty days from the end of the financial year as per the statutory timeframe mandated by the Listing Regulations.
- The approved financial results are promptly forwarded to the Stock Exchanges and published in a national English newspaper, Business Standard. Furthermore, within forty-eight hours of approval, they are also published in a local language (Marathi) newspaper, namely Sakal/Mumbai Lakshadep. Additionally, the results are uploaded onto the Company's website at [www.unichemlabs.com](http://www.unichemlabs.com) and submitted to the Stock Exchange for wider dissemination.
- Presentations or press releases delivered to institutional investors and analysts, if any, are made available on the Company's website and submitted to the Stock Exchanges where the Company's shares are listed for public access.
- All corporate communications, including quarterly results, shareholding patterns, quarterly compliances and other disclosures to the Stock Exchanges, namely BSE Limited and NSE Limited, are electronically filed. The Company ensures compliance by filing submissions through BSE Listing Centre and NEAPS portal.
- The Company's website features a dedicated section under "Investors" providing information on unclaimed dividends, shareholding patterns, quarterly/half-yearly results and other pertinent information of interest to investors and the public.

## General Shareholder Information

### Date, Time and Venue of the 61st AGM

Date : Thursday, 8th August, 2024  
Time : 2.00 p.m.  
Venue : Through Video Conference

The AGM for the financial year 2023-24 will be held through Video Conference or Other Audio-Visual Means as permitted by the Regulators.

**Financial Year:** 1st April, 2023 to 31st March, 2024

**Reporting Calendar:** Within 45/60 days from the end of the quarter/financial year respectively, as stipulated under the Listing Regulations.

### Stock Exchanges on which shares are listed alongwith Stock Codes

BSE Limited : 506690  
National Stock Exchange of India Limited : UNICHEMLAB

The Annual Listing Fees have been paid by the Company to both the Stock Exchanges.

### Registrar and Share Transfer Agents ("RTA")

Link Intime India Private Limited  
C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083  
Toll Free No.: 8108116767 • Fax.: (022) 4918 6060  
E-mail id: [rnt\\_helpdesk@linkintime.co.in](mailto:rnt_helpdesk@linkintime.co.in)

### Introduction of "Swayam" portal

RTA has developed a secured, user-friendly web-based application called "SWAYAM" which can be accessed at <https://swayam.linkintime.co.in>. It empowers shareholders to effortlessly access various services. The shareholders need to get themselves registered to have first-hand experience of the portal. SWAYAM has been designed with a user-friendly GUI, to help investors access their portfolios and raise any requests for service. Through a single login, registered investors can access their investments which are linked to their PAN, obtain Company-wise summary of all holdings, fetch valuation of securities as per the last closing rates at BSE/NSE, view statement of holdings, check the status of corporate benefits and much more.

### Share Transfer System

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz., issue of duplicate securities certificate; claim on unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://www.unichemlabs.com/mandatory-dematerialisation.php> and on the website of the Company's RTA, Link Intime at <https://linkintime.co.in/>. It may be noted that any service request can be processed only after the folio is KYC compliant. The Company advises members still holding share certificates in physical form to dematerialize their shareholding.

Furthermore, the Company has obtained an annual certificate from a Company Secretary in Practice, confirming that all necessary documents, such as Letter of Confirmations, have been issued within the prescribed timeframe from the date of lodgement for transmission, deletion of name, consolidation, renewal, etc., as per the requirements of Regulation 40(9) of the Listing Regulations. This certificate has been submitted to the Stock Exchanges.

### Scores

SEBI vide its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated 20th September, 2023 read with Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023/183 dated 1st December, 2023 has notified the revised framework for handling and monitoring of investor complaints received through SCORES platform by the Company and designated Stock Exchanges effective from 1st April, 2024. The shareholders can access the new version of SCORES 2.0 at <https://scores.sebi.gov.in>.



Brief of revised timelines and process is as under:

- Approach to Company and/or Registrar and Share Transfer Agent of the Company;
- Lodgement of complaint on SCORES Portal
- Submission of Action Taken Report by the Company
- First Review of the complaint
- Second Review of the complaint
- Online Dispute Resolution Mechanism/Other Civil Remedies

#### Updating KYC details

Efforts are currently in progress to update the Permanent Account Number (PAN) and bank account details of shareholder(s) in compliance with SEBI regulations. As per circulars dated 3rd November, 2021 and 15th December, 2021, issued by the regulator, holders of physical securities are required to provide PAN, KYC, and nomination details. Shareholders are urged to submit these details to the Company's registrars using the forms available at <https://www.unichemlabs.com/mandatory-dematerialisation.php>. Unichem has communicated this requirement to eligible shareholders.

#### Dematerialisation of Shares and Liquidity

As on 31st March, 2024, 97.69% of the paid-up share capital had been dematerialized. Promoter's holding is held in dematerialized form. The Company's shares are liquid and actively traded on both the Stock Exchanges.

#### 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 back-side of the cover page of Annual Report.

#### Address for correspondence:

For Corporate Governance, IEPF and other secretarial matters:

Compliance & Nodal Officer

Mr. Pradeep Bhandari

Head - Legal & Company Secretary

E-mail: [shares@unichemlabs.com](mailto:shares@unichemlabs.com)

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

Tel.: (022) 6688 8333 • Website: [www.unichemlabs.com](http://www.unichemlabs.com)

For shares held in physical form:

Link Intime India Private Limited

Unit: Unichem Laboratories Limited

C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083

Toll Free No.: 8108116767 • Fax.: (022) 4918 6060

E-mail id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

For shares held in demat form:

Concerned Depository participants of investors

#### Credit Rating

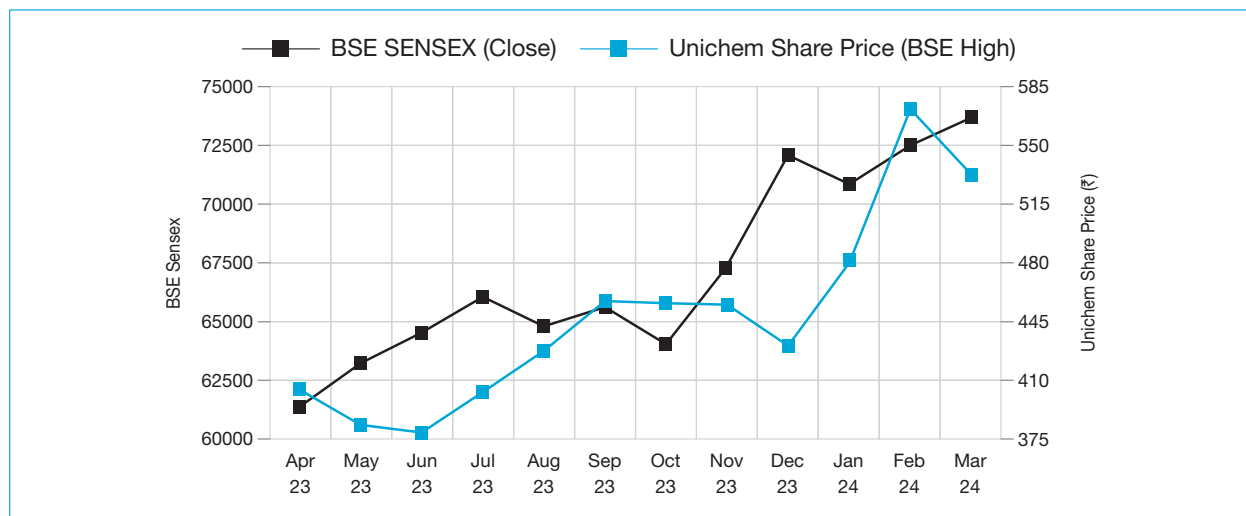
ICRA, the credit rating agency has rated the company's long-term rating to [ICRA] A (Stable) (pronounced ICRA A with a Stable outlook). This rating indicates an adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

#### Market Price data

(Amt in ₹)

| Month           | High (BSE) | Low (BSE) | High (NSE) | Low (NSE) |
|-----------------|------------|-----------|------------|-----------|
| April, 2023     | 403.65     | 286.70    | 400.00     | 287.00    |
| May, 2023       | 382.75     | 368.00    | 382.90     | 370.20    |
| June, 2023      | 377.15     | 365.35    | 378.40     | 367.25    |
| July, 2023      | 397.40     | 371.90    | 398.00     | 375.50    |
| August, 2023    | 422.00     | 388.40    | 419.25     | 392.80    |
| September, 2023 | 454.25     | 394.85    | 455.00     | 395.00    |
| October, 2023   | 452.80     | 406.40    | 452.70     | 400.30    |
| November, 2023  | 449.25     | 398.70    | 449.00     | 399.00    |
| December, 2023  | 437.00     | 401.10    | 435.80     | 400.55    |
| January, 2024   | 481.90     | 406.15    | 482.00     | 407.05    |
| February, 2024  | 579.80     | 461.25    | 572.00     | 460.60    |
| March, 2024     | 534.10     | 473.00    | 537.40     | 472.75    |

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



## Distribution of Shareholding on 31st March, 2024

| Sr. No. | No. of shares held (From - To) | No. of Shareholders | % of Total Shareholders | No. of shares      | % of Issued Capital |
|---------|--------------------------------|---------------------|-------------------------|--------------------|---------------------|
| 1       | up to – 500                    | 18,512              | 85.10                   | 17,82,739          | 2.53                |
| 2       | 501 – 1,000                    | 1,232               | 5.66                    | 9,79,422           | 1.39                |
| 3       | 1,001 – 2000                   | 859                 | 3.95                    | 12,92,648          | 1.84                |
| 4       | 2,001 – 3,000                  | 334                 | 1.54                    | 8,45,728           | 1.20                |
| 5       | 3,001 – 4,000                  | 200                 | 0.92                    | 7,16,856           | 1.02                |
| 6       | 4,001 – 5,000                  | 171                 | 0.79                    | 7,85,121           | 1.12                |
| 7       | 5,001 – 10,000                 | 283                 | 1.30                    | 19,04,878          | 2.70                |
| 8       | 10,001 – Above                 | 162                 | 0.74                    | 6,20,98,358        | 88.20               |
|         | <b>Total</b>                   | <b>21,753</b>       | <b>100.00</b>           | <b>7,04,05,750</b> | <b>100.00</b>       |

## Shareholding Pattern as on 31st March, 2024

| Sr. No. | Category  | Total Shares       | % of Total Capital |
|---------|---|--------------------|--------------------|
| 1       | Promoters and Persons acting in Concert   | 4,94,40,586        | 70.22              |
| 2       | Mutual Funds  | 68,81,912          | 9.77               |
| 3       | Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions) | 1,84,807           | 0.26               |
| 4       | Alternate Investment Funds  | 8,66,091           | 1.24               |
| 5       | Foreign Portfolio Investor/Foreign Nationals/NRIs   | 10,33,794          | 1.46               |
| 6       | Indian Public   | 1,17,41,340        | 16.68              |
| 7       | Private Corporate Bodies  | 2,56,923           | 0.37               |
| 8       | In Clearance  | 297                | 0.00               |
|         | <b>Total</b>  | <b>7,04,05,750</b> | <b>100.00</b>      |

## Other 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 & NSE and the Company has complied with all the applicable regulations of capital markets. No penalties or strictures have been imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter relating to the capital markets during the last three years.

### Whistle Blower Policy

Whistle Blower Policy ensures that stakeholders, directors and employees can report concerns about unethical behavior, fraud or violations of the Company's Code of Business Conduct and Ethics. The policy, which includes safeguards against victimization and grants direct access to

the Audit Committee, is prominently displayed on the Company's website, accessible via the link: <https://www.unichemlabs.com/whistle-blower-vigil-mechanism.php>. Access to the Audit Committee has not been denied to any individual. There was one complaint received during the year, which was amicably resolved.

#### Compliance with the Mandatory Requirements of the Listing Regulations

The Company has complied with and disclosed 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:

- a. **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](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
- b. **Modified opinion(s) audit report:** The company's financial statements are with unmodified audit opinion.
- c. **Separate posts of Chairman & Managing Director:** The Company has a separate post of Chairman & Managing Director.
- d. **Reporting of Internal Auditor:** The Internal Auditor of the Company serves as a permanent invitee to the Audit Committee Meetings and consistently participates in these sessions to present his findings from the internal audit to the Audit Committee Members.

#### Material Subsidiary

| 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                      |

Mr. Arun Todarwal, Independent Director of the Company is nominated on the Board of Unichem Pharmaceuticals (USA) Inc. Web link of policy for determining material subsidiaries is <https://www.unichemlabs.com/policy-on-material-subsidiaries.php>.

#### Commodity price risk or foreign exchange risk and hedging activities

The Company does not have significant exposure to commodities and does not engage in commodity hedging activities. However, during the fiscal year ending on 31st March, 2024, the Company managed its foreign exchange risk through hedging activities as deemed necessary and permitted. Specifically, the Company utilizes forward contracts to hedge foreign exchange exposures related to exports. Detailed information regarding foreign currency exposure is disclosed in the financial statements.

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

The Company has not raised any funds through preferential allotment or qualified institutions placement.

#### Certificate from Company Secretary in practice

A Certificate dated 22nd May, 2024 has been obtained from Alwyn Jay & Co, Company Secretary in practice, confirming that none of the Directors serving on the Board of the Company have been debarred or disqualified from their positions by the Board, Ministry of Corporate Affairs or any relevant statutory authority. The same is annexed to this report.

**Throughout the financial year, there were no occurrences where the Board declined to accept any recommendations put forth by any of its committees.**

#### Total fees paid to all statutory auditors

The aggregate of fees paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities within the network firm/network entity to which the statutory auditor belongs during the financial year under review amounted to ₹ 253.47 lakhs.

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

Number of complaints filed during the financial year : Nil  
 Number of complaints disposed off during the financial year : Nil  
 Number of complaints pending as on end of the financial year : Nil

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

Certificate from MD and Deputy CFO pursuant to Regulation 17(8) of the Listing Regulations [Part B of Schedule II], is annexed to this Report. MD and the Deputy CFO also gives quarterly certification on financial results to the Board in terms of Regulation 33(2) of the Listing Regulations.

Disclosures have also been received from the senior management that there were no transactions with the Company either by them or their relatives during the financial year 2023-24, having potential conflict with the interests of the Company.

### 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>.

### Unclaimed Dividend & Shares

As per Regulation 39(4) and Schedule VI of the Listing Regulations, shares which remained unclaimed in the custody of the Company are required to be transferred to the Unclaimed Suspense Account opened by the Company. Accordingly, unclaimed shares lying in the Company's Unclaimed Suspense Account is as under:

| Particulars  | No. of shareholders | No. of shares |
|--|---------------------|---------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | 19                  | 29,870        |
| Shareholders who approached the Company for transfer of shares from suspense account during the year                   | 0                   | 0             |
| (Less): Number of shareholders to whom shares were transferred from suspense account during the year                   | 0                   | 0             |
| (Less): Shares transferred to IEPF account   | 6                   | 3,680         |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year       | 13                  | 26,190        |

These shares including all benefits accrued thereon shall be transferred by the Company to the Investor Education and Protection Fund Authority ("IEPF Authority") in accordance with the provisions of Section 124(5) and (6) of the Act and Rules framed thereunder.

As per Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all the dividends which have not been paid or claimed for seven consecutive years or more and underlying shares thereon, shall be transferred to the IEPF Authority, after complying with the procedure. Accordingly, the undermentioned dividend and underlying shares have been transferred to the IEPF Authority during the year.

|  |           |
|--|-----------|
| Financial year   | : 2015-16 |
| Amount of unclaimed dividend transferred (Amount in Lakhs) | : ₹ 18.62 |
| Number of shares transferred                               | : 32,559  |

Members whose shares/unclaimed dividends, etc. have been transferred to IEPF may claim the shares by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by the Authority from time to time. The Member can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.

Dividends remaining unpaid/unclaimed and the dates by which dividend and underlying shares will be transferred to IEPF as as under:

| Financial Year | Financial Year of Dividend | Date of Declaration | Proposed date of Transfer to IEPF |
|----------------|----------------------------|---------------------|-----------------------------------|
| 2016 - 17      | Final                      | 22.07.2017          | 27.08.2024                        |
| 2017 - 18      | Final                      | 28.07.2018          | 02.09.2025                        |
| 2018 - 19      | Final                      | 27.07.2019          | 01.09.2026                        |
| 2019 - 20      | Final                      | 29.08.2020          | 04.10.2027                        |
| 2020 - 21      | Final                      | 31.07.2021          | 05.09.2028                        |
| 2021 - 22      | Final                      | 09.08.2022          | 14.09.2029                        |

Details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF authority are also put on the Company's website. Shareholders who have not claimed their dividends may do so before these get statutorily transferred and are requested to immediately approach the Investor Relations Department of the Company or Company's RTA at the earliest to claim and avoid transfer of the same.

**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,

**Dr. Prakash A. Mody**  
Chairman  
(DIN: 00001285)

Mumbai  
22nd May, 2024

# Certificate of Non-Disqualification of Directors

[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. Rd., Jogeshwari (West),  
Mumbai - 400102

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 (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](http://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, 2024** 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       | Dr. Prakash A. Mody                 | 00001285 | Director            | 01/07/2008          |
| 2       | Dilip Janardan Kunkolienkar ^       | 02666678 | Whole Time Director | 01/04/2018          |
| 3       | Pabitrakumar Kalipada Bhattacharyya | 07131152 | Managing Director   | 10/08/2023          |
| 4       | Pranay Premchand Godha              | 00016525 | Director            | 10/08/2023          |
| 5       | Prafulbhai Anubhai Shah *           | 00040837 | Director            | 11/08/1979          |
| 6       | Anand Yashavant Mahajan *           | 00066320 | Director            | 17/10/2005          |
| 7       | Prafull D Sheth *                   | 00184581 | Director            | 22/09/2003          |
| 8       | Priti Puri                          | 07755966 | Director            | 21/03/2023          |
| 9       | Arun Lalchand Tadarwal              | 00020916 | Director            | 05/02/2024          |
| 10      | Anand Trimbak Kusre                 | 00818477 | Director            | 05/02/2024          |

\* Ceased to be director of the Company with effect from 31st March, 2024

^ Ceased to be director of the Company with effect from 10th August, 2024

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.

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

Mumbai  
22nd May, 2024

**Jay D'Souza**  
Partner  
**FCS 3058**  
C. P. No.: 6915  
UDIN.: F003058F000418308

## DECLARATION PURSUANT TO SCHEDULE V OF THE LISTING REGULATIONS

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, 2024.

For Unichem Laboratories Limited

Mumbai,  
22nd May, 2024

**Pabitrakumar Bhattacharyya**  
Managing Director  
(DIN: 07131152)

## CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE LISTING REGULATIONS

We, Mr. Pabitrakumar Bhattacharyya, Managing Director and Mr. Sandip Ghume, Deputy Chief Financial Officer hereby certify for the financial year ended 31st March, 2024 that:

- a. We have reviewed IND AS financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with IND AS, 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, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
  - i. that there are no significant changes in internal control over financial reporting during the year;
  - ii. that there are no significant changes in accounting policies during the year; and
  - iii. that there are no instances of significant fraud of which we have become aware.

For Unichem Laboratories Limited

**Pabitrakumar Bhattacharyya**

Managing Director

Mumbai,  
22nd May, 2024

For Unichem Laboratories Limited

**Sandip Ghume**

Deputy Chief Financial Officer

# Auditors' Certificate on Corporate Governance

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, 2024 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 2024.
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, 2024, 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

## **Bhavin Kapadia**

Partner  
Membership No.: 118991  
UDIN: 24118991BKFQVA6755

Mumbai  
22nd May, 2024

# Annexure C to Directors' Report

Annual Report on Corporate Social Responsibility ("CSR") activities for the financial year 2023-24

[Pursuant to Companies (Corporate Social Responsibility) Rules, 2014]

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

Our CSR initiatives were launched with the aim of making a positive impact on the lives of underprivileged communities, especially those residing in proximity to our company's plant locations. Our efforts are concentrated on key areas including healthcare, education, sanitation, women's empowerment and environmental protection.

**2. Composition of the CSR Committee:**

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

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

Composition of the CSR Committee: <https://www.unichemlabs.com/list-of-board-committees.php>

CSR policy: <https://www.unichemlabs.com/corporate-social-responsibility.php>

CSR projects: N.A.

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

- 5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ (7,142.99) lakhs
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135: Nil
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set-off for the financial year, if any: Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Nil
- 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Nil
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: N.A.
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Nil
- (e) CSR amount spent or unspent for the Financial Year: N.A. (₹ 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 |
| Nil                                       | Nil   |                  |   |        |                  |

**(f) 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   | Nil        |
| iii     | Excess amount spent for the financial year [(ii)-(i)]   | Nil        |
| 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)]                                 | Nil        |

**7. Details of Unspent CSR amount for the preceding three Financial Years:**

(₹ in Lakhs)

| Preceding financial year | Amount transferred to unspent CSR account under sub-section (6) of section 135 | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 | Amount spent in the reporting financial year | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any |                  | Amount remaining to be spent in succeeding financial years | Deficiency, if any |
|--------------------------|--|--|--|---|------------------|--|--------------------|
|                          |  |  |  | Amount  | Date of transfer |  |                    |
| N.A.                     |  |  |  |   |                  |  |                    |

**8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: No**

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

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

(₹ in Lakhs)

| Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR | Amount spent (R in Lakhs) | Details of entity/ Authority/beneficiary of the registered owner |      |                    |
|---|-------------------------------------|------------------|---------------|---------------------------|--|------|--------------------|
|   |                                     |                  |               |                           | CSR Registration Number, if applicable                           | Name | Registered address |
| N.A.  |                                     |                  |               |                           |  |      |                    |

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

For and on behalf of the Board & CSR Committee,

**Arun Tadarwal**  
Chairman of the CSR committee  
(DIN: 00020916)

**Pabitrakumar Bhattacharyya**  
Managing Director  
(DIN: 07131152)

Mumbai  
22nd May, 2024



# Annexure D to Directors' Report

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To,  
The Members,  
**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").

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

Based on our verification of the Company's 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 secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2024** 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, 2024** 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 client – **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.
  - (j) Other regulations of the Securities and Exchange Board of India as are applicable to the Company.
- (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. Trademarks Act, 1999
  5. Indian Copyright Act, 1957
  6. Drugs and Magic Remedies (Objectionable Advertisements) 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 as mentioned above.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board 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. Pursuant to the Share Purchase Agreement dated 22nd September, 2022, the Company had sold its balance investment in Optimus Drugs Private Limited to Sekhmet Pharmaventures Private Limited representing 4,918 equity shares i.e. 0.02% holding with carrying value of ₹ 0.29 cr. in the Company's books of accounts for an aggregate consideration of ₹ 67.47 cr.
3. Approval of the Board of Directors of the Company, at its meeting held on 1st November, 2023, was obtained to make equity investment in Unichem China (Private) Limited upto USD 1,12,500.
4. During the year, vide Share Purchase agreement, Ipca Laboratories Limited acquired 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 Dr. Prakash Mody, Promoter & Director, at a price of ₹ 402.25/- per equity share.

On 21st September, 2023, Ipca Laboratories Limited acquired an aggregate 1,35,79,571 equity shares at ₹ 440 per equity share pursuant to the open offer made by Ipca Laboratories Limited to the public shareholders of the Company in terms of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Consequently, the aggregate holding of Ipca Laboratories Limited in the Company as on 31st March, 2024 stands at 3,70,81,011 equity shares of the Company representing 52.67% of the total paid-up equity share capital of the Company.

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

**Jay D'Souza**  
Partner  
**FCS 3058**

C. P. No.: 6915  
UDIN.: F003058F000418286

Mumbai  
22nd May, 2024

**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.

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

**Jay D'Souza**  
Partner  
**FCS 3058**

C. P. No.: 6915  
UDIN.: F003058F000418286

Mumbai  
22nd May, 2024

# Annexure E to Directors' Report

[Statement containing particulars pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

## a. Conservation of Energy

### (i) Steps and impact:

- Installed Variable Frequency Drives (VFDs) to motors of various equipment to increase efficiency and reduce thermal & mechanical stresses on motors and belts during starts, leading to reduction in electricity consumption.
- Air Handling Units (AHUs) of Heating, Ventilation and Air Conditioning (HVAC) are put on and off as per manufacturing requirements thereby achieving huge saving in electricity.
- Maintaining power factor near to unity for obtaining incentives.
- Replaced conventional lights with Light-Emitting Diode (LED) lights being more energy efficient and having higher average lifespan.
- AHUs of HVAC are put on timer modes to ensure optimum operations of the system to avoid wastage of electricity in areas like canteen, administrative offices etc.
- Steam to fuel ratio in IBR boilers maintained consistently between 13 to 14, thereby reducing fuel consumption.
- 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 avoiding energy losses.
- HVAC chillers & air compressor units setpoints have been optimized as per environmental conditions and non-working hours thereby achieving saving 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 in saving of steam consumption.
- Arrested leakages in compressed air systems and modification done in piping there by arresting losses and saving in electricity.
- Boiler condensate recovery system enhanced by adding process equipment load leading to savings of energy, chemical treatment cost of water and water consumption.
- Rejected water from post treatment of secondary water system is utilized in cooling tower and washrooms, thus saving in water consumption.
- Diesel generator idle running time setting reduced to minimize fuel consumption and thereby saving of fuel cost.
- Motion sensors installed for operation of lighting in large areas where personnel movement is less like outer corridors resulting in saving of electricity.
- Thermography studies were conducted to identify duct & pipe insulation health and rectified damaged areas to reduce the amount of heat loss/gain, which in turn saved energy.

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

- Existing boilers running on fossil fuels were converted to run on environment friendly clean biomass fuels thus reducing reliance on fossil fuels and reducing carbon emission and global warming.
- Roof top solar panel installed to generate & supply power to administration building resulted in electricity saving.
- 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: ₹ 349 lakhs

- Conversion of furnace oil fired boiler to environment friendly clean biomass fuel boiler at Pithampur for ₹ 180 lakhs & Kolhapur site by installing biomass retrofitting kit along with cyclone separator, bag filter and Pallet Store for ₹ 163 lakhs.
- As a part of energy conservation 42 CFM small new air compressor installed for ₹ 6 lakhs in Baddi for water system operation during non-production hours. With this, existing air compressor of 285 CFM can be stopped thus saving in electricity consumed.

## RESEARCH AND DEVELOPMENT

### b. Technology Absorption

#### (i) Efforts towards technology absorption:

Unichem brought all its facets at a centralised location in the Centre of Excellence [CoE], Goa which includes API Process Research and Analytics, Formulation Development & 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 and technology transfer of oral solid dosage forms. This helps to anticipate and address scale-up issues that the laboratory-developed process may face in the plant during the technology transfer exercise. The developmental activities are supported by a proficient Analytical Research Development team and a well-equipped laboratory.

#### (ii) Benefits derived:

- Increased number of Drug Master File (DMF) in regulated markets.
- 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.
- Reduction in the number of regulatory queries leading to speedy approvals.
- Cost optimisation with continuous product improvement.
- Capacity enhancement of Commercial ANDA & DMF.

(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 during the last three years.

(iv) **Expenditure incurred on Research and Development:** (₹ in Lakhs)

| Particulars                                   | 2023-24          | 2022-23          |
|---|------------------|------------------|
| Capital                                       | 179.30           | 1,025.07         |
| Revenue                                       | 10,466.70        | 10,939.81        |
| <b>Total</b>                                  | <b>10,646.00</b> | <b>11,964.88</b> |
| R & D expenditure as a percentage of turnover | 7.38%            | 11.16%           |

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 2023-24: ₹ 128,767.99 lakhs

Outgo (including imports) in foreign currency - FY 2023-24: ₹ 10,576.84 lakhs

For and on behalf of the Board of Directors,

Mumbai  
22nd May, 2024

**Dr. Prakash A. Mody**  
Chairman  
(DIN: 0001285)

# Annexure F to Directors' Report

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

| 1      | Name & Designation of Director & KMP  | Ratio of the remuneration of each Director to the Median remuneration of the employees of the Company for the FY 2023-24 | % increase/ (decrease) in remuneration in the FY 2023-24 |
|--------|---|--|--|
| (i)    | Dr. Prakash A. Mody <sup>1</sup> - <i>Chairman</i>                                  | 273.60   | -  |
| (ii)   | Mr. Dilip Kunkolienkar <sup>1</sup> - <i>Executive Director</i>                     | 66.91  | -  |
| (iii)  | Mr. Pabitrakumar Bhattacharyya <sup>1</sup> - <i>Managing Director</i>              | 43.57  | -  |
| (iv)   | Mr. Pranay Godha <sup>2</sup> - <i>Non-Executive &amp; Non-Independent Director</i> | 0.7  | -  |
| (v)    | Mr. Prafull Anubhai - <i>Independent Director</i>                                   | 3.25   | 3.70%  |
| (vi)   | Mr. Prafull Sheth - <i>Independent Director</i>                                     | 2.79   | (11.11)%   |
| (vii)  | Mr. Anand Mahajan - <i>Independent Director</i>                                     | 3.02   | 8.33%  |
| (viii) | Mrs. Priti Puri <sup>2</sup> - <i>Independent Director</i>                          | 1.98   | -  |
| (ix)   | Mr. Anand Kusre <sup>2</sup> - <i>Independent Director</i>                          | -  | -  |
| (x)    | Mr. Arun Todarwal <sup>2</sup> - <i>Independent Director</i>                        | -  | -  |
| (xi)   | Mr. Sandip Ghume - <i>Deputy Chief Financial Officer*</i>                           | 18.29  | -  |
| (xii)  | Mr. Pradeep Bhandari - <i>Company Secretary</i>                                     | 22.86  | -  |

**2 The Percentage increase in the median remuneration of employees in the financial year: (3%)**

**3 The number of permanent employees on the rolls of company: 3,194**

**4 Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average increase in remuneration of employee for the FY 2023-24 was 7.37%.

Average increase in remuneration of managerial personnel for the FY 2023-24 was 76.60%. However, the same is not comparable due to the reason provided in the footnotes below.

**5 Affirmation that the remuneration is as per the remuneration policy of the Company: Yes**

Notes:

<sup>1</sup> Dr. Prakash A. Mody and Mr. Dilip Kunkolienkar were Executive Directors till 9th August, 2023. Dr. Prakash A. Mody became Non-Executive Director w.e.f. 10th August, 2023, subsequent to that his remuneration includes only sitting fees. Remuneration of Dr. Prakash A. Mody includes retirement benefits. Mr. Pabitrakumar Bhattacharyya, Managing Director was appointed w.e.f. 10th August, 2023, hence the remuneration payable to them for FY 2023-24 is not comparable with that of previous year.

<sup>2</sup> Mr. Pranay Godha was appointed on 10th August, 2023, Mrs Priti Puri was appointed w.e.f. 21st March, 2023, Mr. Anand Kusre and Mr. Arun Todarwal were appointed on 5th February, 2024 and are paid only sitting fees.

Mrs. Priti Puri was appointed w.e.f. 21st March, 2023, thus no remuneration was paid in FY 2022-23 to her.

\* Excluding one-time incentive paid in the previous year.

For and on behalf of the Board of Directors,

**Dr. Prakash A. Mody**  
Chairman  
(DIN: 0001285)

Mumbai  
22nd May, 2024

# Annexure G to Directors' Report

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### SECTION A: GENERAL DISCLOSURES

#### I. Details of listed entity

|    |  |   |
|----|--|---|
| 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, S.V. Road, Prabhat Estate, Jogeshwari (West), Mumbai 400 102  |
| 5  | Corporate office address   | Unichem Bhavan, S.V. Road, Prabhat Estate, Jogeshwari (West), Mumbai 400 102  |
| 6  | E-mail ID  | <a href="mailto:shares@unichemlabs.com">shares@unichemlabs.com</a>  |
| 7  | Telephone  | 022 6688 8333   |
| 8  | Website  | <a href="http://www.unichemlabs.com">www.unichemlabs.com</a>  |
| 9  | Financial year for which reporting is being done   | 1st April, 2023 - 31st March, 2024  |
| 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 (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Pradeep Bhandari<br>Head - Legal & Company Secretary<br>Telephone 022 6688 8333<br><a href="mailto:shares@unichemlabs.com">shares@unichemlabs.com</a> |
| 13 | Reporting boundary   | Standalone basis  |
| 14 | Name of assurance provider   | N.A.  |
| 15 | Type of assurance obtained   | N.A.  |

#### II. Products/services

##### 16. 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%          |

##### 17. 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%                            |

#### III. Operations

##### 18. 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                     | 1                 | 8     |
| International | 1                | 0                     | 8                 | 9     |

##### 19. Markets served by the entity

###### a. Number of locations

| Locations                        | Number |
|----------------------------------|--------|
| National * (No. of states)       | 12     |
| 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 exports is 97.1% of our total turnover during the financial year 2023-24. (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. Distributors, health care professionals and Government Institutions are our major customers.

**IV. Employees**

**20. 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)      |
| <b>EMPLOYEES</b> |                                |              |             |              |            |              |
| 1                | Permanent (D)                  | 1,970        | 1710        | 86.80        | 260        | 13.20        |
| 2                | Other than Permanent (E)       | 183          | 158         | 86.34        | 25         | 13.66        |
| <b>3</b>         | <b>Total employees (D + E)</b> | <b>2,153</b> | <b>1868</b> | <b>86.76</b> | <b>285</b> | <b>13.24</b> |
| <b>WORKERS</b>   |                                |              |             |              |            |              |
| 4                | Permanent (F)                  | 905          | 900         | 99.45        | 5          | 0.55         |
| 5                | Other than Permanent (G)       | 136          | 136         | 100.00       | 0          | 0.00         |
| <b>6</b>         | <b>Total workers (F + G)</b>   | <b>1,041</b> | <b>1036</b> | <b>99.52</b> | <b>5</b>   | <b>0.48</b>  |

**b. Differently abled employees and workers**

| Sr. No.                            | Particulars                                      | Total (A)   | Male        |             | Female      |             |
|------------------------------------|--|-------------|-------------|-------------|-------------|-------------|
|                                    |  |             | No. (B)     | % (B/A)     | No. (C)     | % (C/A)     |
| <b>DIFFERENTLY ABLED EMPLOYEES</b> |  |             |             |             |             |             |
| a                                  | Permanent (D)                                    | N.A.        | N.A.        | N.A.        | N.A.        | N.A.        |
| b                                  | Other than permanent (E)                         | N.A.        | N.A.        | N.A.        | N.A.        | N.A.        |
| <b>c</b>                           | <b>Total differently abled employees (D + E)</b> | <b>N.A.</b> | <b>N.A.</b> | <b>N.A.</b> | <b>N.A.</b> | <b>N.A.</b> |
| <b>DIFFERENTLY ABLED WORKERS</b>   |  |             |             |             |             |             |
| a                                  | Permanent (F)                                    | N.A.        | N.A.        | N.A.        | N.A.        | N.A.        |
| b                                  | Other than permanent (G)                         | N.A.        | N.A.        | N.A.        | N.A.        | N.A.        |
| <b>c</b>                           | <b>Total differently abled workers (F+G)</b>     | <b>N.A.</b> | <b>N.A.</b> | <b>N.A.</b> | <b>N.A.</b> | <b>N.A.</b> |

**21. Participation/inclusion/representation of women**

| Particulars               | Total (A) | No. & Percentage of Females |         |
|---------------------------|-----------|-----------------------------|---------|
|                           |           | No. (B)                     | % (B/A) |
| Board of Directors        | 9         | 1                           | 11.11   |
| Key Management Personnel* | 2         | -                           | -       |

\* Key Management Personal (KMP) mentioned here consists of Company Secretary and Deputy CFO. Managing Director is considered in Board of Directors and not in KMP.

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

| Sr. No. | Particulars         | FY 2024 (%) |        |       | FY 2023 (%) |        |       | FY 2022 (%) |        |       |
|---------|---------------------|-------------|--------|-------|-------------|--------|-------|-------------|--------|-------|
|         |                     | Male        | Female | Total | Male        | Female | Total | Male        | Female | Total |
| a       | Permanent Employees | 32.07       | 24.30  | 31.03 | 26.95       | 20.88  | 26.12 | 28.00       | 24.01  | 27.44 |
| b       | Permanent Workers   | 20.89       | 18.18  | 20.87 | 18.38       | 16.67  | 18.36 | 15.62       | 15.38  | 15.61 |



## V. Holding, subsidiary and associate companies (including joint ventures)

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

| Sr. No. | Name (A)                                       | Nature of Association | % shares held by listed entity | Does entity at column A, participate in BRSR initiatives of listed entity?  |
|---------|--|-----------------------|--------------------------------|---|
| 1       | Unichem Pharmaceuticals (USA) Inc              | Subsidiary            | 100%                           | The Company encourages its subsidiaries to participate in its business responsibility activities wherever applicable. |
| 2       | Niche Generics Limited, UK                     |                       |                                |   |
| 3       | Unichem Laboratories Limited, Ireland          |                       |                                |   |
| 4       | Unichem Farmaceutica Do Brasil Ltda            |                       |                                |   |
| 5       | Unichem S.A. Proprietary Limited, South Africa |                       |                                |   |
| 6       | Unichem (China) Pvt Limited                    |                       |                                |   |
| 7       | Synchron Research Services Private Limited     | Associate             | 32.11%                         |   |

## VI. CSR Details

- (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 2023-24 due to losses.
- (ii) Turnover (in ₹) : 1,44,216.78 lakhs
- (iii) Net worth (in ₹) : 2,29,462.60 lakhs

## VII. Transparency and Disclosure Compliances

### 24. 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 (If Yes, then provide web-link for grievance redressal policy) | FY 2024               |   |  | FY 2023               |   |  |
|---|--|-----------------------|---|--|-----------------------|---|--|
|   |  | No. of Complaints     |   |  | No. of Complaints     |   |  |
|   |  | Filed during the year | Pending resolution at close of the year | Remarks  | Filed during the year | Pending resolution at close of the year | Remarks  |
| Customers   | Yes  | 119                   | 18                                      | All pending complaints are being investigated and will be resolved in due course | 150                   | 17                                      | Pending complaints at the end of FY 2022-23 have been resolved |
| Shareholders and investors                        | Yes  | 1                     | 0                                       | N.A.   | 1                     | 0                                       | N.A.   |
| Employees and workers                             | Yes  | 0                     | 0                                       | N.A.   | 3                     | 0                                       | N.A.   |
| Value Chain Partners                              | Yes  | 0                     | 0                                       | N.A.   | 0                     | 0                                       | N.A.   |
| Communities                                       | Yes  | 2                     | 0                                       | N.A.   | 3                     | 0                                       | N.A.   |
| Others  | Yes  | 0                     | 1                                       | Detailed in Principle no. 6, point no. 13  | 0                     | 1                                       | Detailed in Principle no. 6, point no. 13                      |

- 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>.
- 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](mailto: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.
- As a fundamental value, the Company is committed to addressing stakeholder grievances with fairness and equity. Our HR Grievance mechanisms are outlined comprehensively in the Grievance Handling Policy. Moreover, we uphold ethical standards through our Code of Business Conduct and Ethics, Whistleblower Policy and Prevention of Sexual Harassment at the Workplace Policy. To ensure compliance with legal mandates, all requisite policies are accessible on our website, [www.unichemlabs.com](http://www.unichemlabs.com) while internal policies can be found on our intranet.
- Value chain partners can raise their grievances by writing to the concerned functional head or SBU head and the same is attended promptly by the concerned head.
- Communities have avenues to voice their grievances, whether through the Company's HR department, plant heads or implementing agencies, wherever applicable.

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

i. Product quality and safety and data integrity

| Sr. No. | Whether risk or opportunity  | Both risk and opportunity   |
|---------|--|---|
| a       | Rationale for identifying risk/opportunity   | Product quality and safety are the top-most priorities of the Company and has got an element of sustainability and statutory compliance attached to it from the design level and keeping that in mind, utmost detailing is done. Quality is given as it is to be achieved against specification. Risk / opportunity is evaluated based on cost/ price difference and short/ long term profitability and sustenance. |
| b       | In the case of risk, approach to adapt or mitigate   | There is a thrust on the complete life cycle management of products with "Total life cycle management" approach. With this risk in terms of cost, quality, market, regulatory bodies and environment etc. are continuously evaluated and corresponding action is taken to mitigate the risk. For example, organization works to improve the quality and track CAPA, with a special focus on DI.                     |
| c       | Financial implications of the risk or opportunity (indicate positive or negative implications) | Positive - Unichem is following very strict procedure and systemic control to ensure product quality and efficacy and has unmatched history of compliance with multiple regulatory inspections.<br>Negative - Health and safety incident can lead to decrease in trust amongst our customers and may adversely impact the demand of products.   |

ii. Regulatory Compliance

| Sr. No. | Whether risk or opportunity  | Both risk and opportunity   |
|---------|--|---|
| a       | Rationale for identifying risk/opportunity   | The Pharma Industry is a highly regulated industry across the globe. 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 non-compliance may lead to loss of business and reputation.   |
| b       | In the case of risk, approach to adapt or mitigate   | To mitigate the risk, Company undertakes to: <ul style="list-style-type: none"> <li>• Strictly adhere to laid down Standard Operating Practices.</li> <li>• Maintain international accreditations as per regulatory requirements.</li> <li>• Maintain the highest standard of quality and adherence to the applicable regulatory requirements to avoid any adverse findings.</li> <li>• Carry out independent audits and seek consultations from experts wherever required.</li> <li>• Continuous training of the people on various topics pertaining to Good Manufacturing Practice and updating them with changes in regulation from time to time.</li> </ul> |
| c       | Financial implications of the risk or opportunity (indicate positive or negative implications) | Positive - A highly regulatory compliant company always has a competitive advantage and helps in increasing its volumes and profits on a consistent basis.<br>Negative - Non-compliance is viewed very strictly in this industry which may even result in the issue of warning letters/ import alert by the regulators, closure of manufacturing plants or imposing penalties resulting in loss of revenue and profits.   |

### iii. Research and Development

| Sr. No. | Whether risk or opportunity  | Both risk and opportunity  |
|---------|--|--|
| a       | Rationale for identifying risk/opportunity   | R&D is the core that will power Unichem's future growth through a dual strategy of development of patent non-infringing processes for APIs and the development of Novel Drug Delivery Systems (NDDS). New product launches are subject to significant investments, regulatory roadblocks, stiff competition, patent litigations, etc. which may impact the launch dates of new critical products. Investment in R&D will expand our patient outreach and explore new areas for long-time sustainable growth.   |
| b       | In the case of risk, approach to adapt or mitigate   | The Centre of Excellence (CoE) in Goa, fueled by over 300 scientists including over 30 PhDs, is the place where the potential of Unichem is brought to life. Deliberations are being done at various levels on the identification of new products for development. 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, liquid orals and a separate facility for injectable and pre-formulation laboratories to carry out drug-excipient compatibility studies and physical characterization of API. |
| c       | Financial implications of the risk or opportunity (indicate positive or negative implications) | Positive - Impact on growth, revenue and profits.<br>Negative - Delays in launch will lead to rising costs and price erosion on critical products especially in developed nations like the USA and EU.   |

### iv. Environment Health and Safety

| Sr. No. | Whether risk or opportunity  | Risk   |
|---------|--|--|
| a       | Rationale for identifying risk/opportunity   | 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 its productivity as well.   |
| b       | In the case of risk, approach to adapt or mitigate   | Identification of potential hazards is an inherent part of process development right from early stages in R&D, all necessary evaluations are done to develop safe procedures with minimal environmental impact as reasonable. We regularly monitor our system by way of internal and external audits and proactive measures are taken on identified hazards to minimize the risk. Our plants have been audited for standards such as ISO14001, ISO45001, SA8000 and others. Our sites have received necessary approvals from regulatory bodies and elements of Environment, Health & Safety are verified from time to time to ascertain compliance with risk management. |
| c       | Financial implications of the risk or opportunity (indicate positive or negative implications) | Negative - Non-compliance with the Environment, Health & safety requirement will lead to violation of condition given to run our operation. It will also negatively impact the nearby communities and earn bad name to company. The lack of safe working place will result into illness & injuries of our workers leading to high medical expenses and will further impact the productivity of company. Non-compliance of environment, health & safety requirement may lead to warning, fines and closure of the manufacturing units.  |

### v. Sustainable Supply Chain Management

| Sr. No. | Whether risk or opportunity  | Risk  |
|---------|--|---|
| a       | Rationale for identifying risk/opportunity   | Any disruptions in any segment of the supply chain may lead to delays in the manufacturing of products and shortages in inventory. Maintaining timely availability of APIs and intermediates will reduce transportation cost and dependence on few vendors  |
| b       | In the case of risk, approach to adapt or mitigate   | Comprehensive risk assessment is done to identify potential threats to the supply chain. Similarly, development of alternate vendors/suppliers for critical raw materials, etc. is done to reduce dependency on single sources. Various other steps like strategic inventory management, safety stock optimization, maintaining adequate buffer stock are being reviewed constantly to mitigate the impact of supply disruptions. |
| c       | Financial implications of the risk or opportunity (indicate positive or negative implications) | Positive - A sustainable supply chain management will provide financial growth to the company by ensuring uninterrupted supply thereby controlling costs.<br>Negative - Supply chain disruption may result in an increase in the cost of materials.   |

#### vi. Water Management & Waste Management

| Sr. No. | Whether risk or opportunity  | Risk   |
|---------|--|--|
| a       | Rationale for identifying risk/opportunity   | As manufacturing operation needs intensive use of water, their conscious use is required for the benefit of society at large. Also, waste generated during the process may pose direct and long-term harm to both human safety and environment if not managed properly.  |
| b       | In the case of risk, approach to adapt or mitigate   | The company uses fresh water suitable to requirement needs. The used water at all locations is treated in wastewater treatment plant and then reused for other suitable needs thereby reducing load on freshwater demand. Our Pithampur, Kolhapur, Roha & Goa plants are zero liquid discharge, i.e. all the wastewater generated from operation is utilized within the premises and there is no discharge outside. Waste generated at site is disposed-off as per statutory requirements. |
| c       | Financial implications of the risk or opportunity (indicate positive or negative implications) | Negative – Lack of water & waste management will lead to their disposal in environment creating a risk of contamination to soil, water, human health and may attract fine, penalties and closure of manufacturing operation by regulating bodies.  |

#### vii. Energy & Emission Management

| Sr. No. | Whether risk or opportunity  | Risk  |
|---------|--|---|
| a       | Rationale for identifying risk/opportunity   | Directly/indirectly most of our energy need is fulfilled using fossil fuel which is depleting and pose pollution risk, switching to a cleaner and renewable source of energy is the need of the day since climate change pose a threat to business continuity, human safety and long-term sustainability.   |
| b       | In the case of risk, approach to adapt or mitigate   | The Company has switched to biomass as fuel which is a clean renewable energy source for boiler operation at its two locations, namely Pithampur & Kolhapur sites. Also, to the extent possible, express feeder connection is used at sites which reduces the need for diesel generator operation. Boilers at Ghaziabad site is operated using PNG which is a clean fuel. All our emissions are equipped with suitable mechanism to control the pollutant within prescribed norms given by the regulatory body. |
| c       | Financial implications of the risk or opportunity (indicate positive or negative implications) | Positive - Our Company is committed to adopt sustainable energy sources to the extent possible to provide products at competitive price to the customers.<br>Negative - Use of energy derived from fossil fuel has a threat to human health & life and also impact business continuity in long-term as they are non-renewable energy source.  |

#### viii. Community Engagement

| Sr. No. | Whether risk or opportunity  | Risk  |
|---------|--|---|
| a       | Rationale for identifying risk/opportunity   | Our manufacturing facilities are located on pan India basis. 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, approach to adapt or mitigate   | Being in the pharmaceutical industry, the Company's focus has primarily been on health. The Company focuses on various activities such as education, health and sanitation. This year the company undertook various activities such as ponds widening & its development for water storage, mass tree plantation and sanitation work for benefit of local community. |
| c       | Financial implications of the risk or opportunity (indicate positive or negative implications) | Positive - Continuous engagement with the communities in which we operate will ensure smooth operations of our plants and redressal of any grievances, if any.<br>Negative - Poor company engagement may lead to disruptions in terms of resources.   |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates 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 its 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

| Sr. No. | Disclosure Questions   | P1   | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|---------|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
|         | <b>Policy and Management Process</b>   |  |     |     |     |     |     |     |     |     |
| 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 Company has laid down comprehensive policies covering these principles and all the policies have been approved by the Board.  |     |     |     |     |     |     |     |     |
|         | c. Web link of the policies, if available  | <a href="https://www.unichemlabs.com/business-responsibility-policies.php">https://www.unichemlabs.com/business-responsibility-policies.php</a>  |     |     |     |     |     |     |     |     |
| 2.      | Whether the entity has translated the policy into procedures. (Yes/ No)  | Company has translated these policies into procedures and practices wherever applicable.   |     |     |     |     |     |     |     |     |
| 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 of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusted) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | All our manufacturing facilities are adhering to cGMP (Current Good Manufacturing Practice) certifications/ labels/ standard guidelines. Unichem has been successfully maintaining high-quality standard as per the cGMP guidelines issued by the USFDA, MHRA, EU, WHO and other global regulators.<br>Three of Company's manufacturing locations namely, Kolhapur, Roha & Pithampur are certified for ISO 14001 (Environment Management System) & ISO 45001 (Occupational Health and Safety Management System). |     |     |     |     |     |     |     |     |
| 5.      | Specific commitments, goals and targets set the entity with defined timelines, if any  | As provided in next page   |     |     |     |     |     |     |     |     |
| 6.      | Performance of the entity against the specific commitments, goals and targets, along with reasons in case the same are not met   | As provided in next page   |     |     |     |     |     |     |     |     |

| Sr. No. | Principles             | Specific commitments, goals and targets set by the entity  | Performance of the entity against specific commitments, goals and targets  |
|---------|------------------------|--|--|
| P1      | Ethics                 | Zero tolerance approach towards any unethical practices by all our 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, if any, are investigated by the internal audit team and final reports are submitted to the Audit Committee wherever applicable.  |
| P2      | Product Sustainability | The Company continues to strive towards the goal for producing and making products available to customers by deployment of efficient and low-carbon processes to minimize adverse environmental and social impacts.  | The manufacturing processes are strategically focused on product sustainability for all activities including product development, processes in operations and focusing on resource efficiency, waste reduction and waste management.   |
| P3      | Employee well-being    | <ol style="list-style-type: none"> <li>Following the successful launch and institutionalization of our Learning Management System (LMS), our objective has been to focus on training content harmonization within and across locations. This initiative aims to establish consistency in processes, organization wide.</li> <li>Make certain that every employee is encompassed by the employee welfare policy.</li> </ol> | <ol style="list-style-type: none"> <li>The majority of content within and between locations has been aligned. This has resulted in a structured approach to training content delivery throughout our organization.</li> <li>In alignment with our commitment, the employee welfare policy provides coverage for all employees.</li> </ol>  |
| P4      | Stakeholder Engagement | The Company is committed to enhancing stakeholder trust, confidence and value which is an ongoing and continuous effort.   | Constant customer and supplier engagement alongwith its grievances are carried out on regular basis. The Secretarial and the Registrar and Transfer Agent (RTA) team continuously engages with the investors to redress their grievances. Meetings with key investors are also undertaken as and when required.  |
| P5      | Human Rights           | The Company is dedicated to endorsing the human rights and respect for our employees and the communities in which we operate, aiming to cultivate a safe and equitable environment, free from discrimination.  | No instances of human rights violations, child labor, forced labor or discriminatory employment practices have been reported. The Company's Internal Complaints Committee ("ICC") addresses sexual harassment complaints, with no case reported during the reviewed period. Our Whistle Blower Policy offers a platform for grievance redressal. Policies on human rights, sexual harassment prevention and whistleblowing are readily accessible on our website and intranet. Audit Committee and ICC take cognizance periodically for timely resolution of complaints. |
| P6      | Environment Management | <ol style="list-style-type: none"> <li>85% of the total treated effluent is to be recycled and reused by 2025.</li> <li>60% of total waste generated in operations is to be disposed off by co-processing/reuse/recycle by 2025.</li> <li>10% Scope 1 and 2 emission reduction by 2030.</li> <li>10% year on year reduction in accident frequency rate and incident frequency rate</li> </ol>                              | <ol style="list-style-type: none"> <li>80% of the treated effluent is recycled and further work is in progress to achieve the target by 2025.</li> <li>45% of generated waste is disposed off by co-processing / reuse / recycle and it will be enhanced to achieve target by 2025.</li> <li>10% Reduction in scope 1 and 2 emissions is already achieved by 2024 which will be maintained for next year.</li> <li>14% year on year reduction is achieved for both accident frequency rate and incident frequency rate.</li> </ol>                                       |
| P7      | Public Advocacy Policy | To represent and engage with the concerned authorities and organisations on matters which concern the industry in which it operates. Such an engagement will address operational issues and the needs & expectation of its stakeholders.   | Trade bodies and associations of which the Company is a member, advocates various issues related to the pharmaceuticals industry for taking up with the authorities. Participation in local associations at manufacturing sites facilitates the resolution of operational issues specific to its area.   |
| P8      | Equitable Development  | For over six decades, Unichem has been committed to fostering equitable development, implementing sustainable changes and enhancing societal value within our operational communities.   | Unichem is dedicated to fostering conscientious development to promote a positive impact on both the environment and community where it operates.  |
| P9      | Customer Service       | Ensuring the consistent delivery of high-quality products while maintaining a robust mechanism for addressing customer complaints.   | The company consistently adheres to and implements stringent quality and manufacturing processes to deliver products of world-class quality. Notably, regulators have made no observations regarding operations at any of our plants, affirming our high standards and practices.  |

## GOVERNANCE, LEADERSHIP AND OVERSIGHT

### 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

- It is our constant endeavour to deliver products of the highest quality in the most responsible manner to our customers, while ensuring minimal harm to the environment and society.
- We believe in non-discrimination policies and work-life balance for employee wellbeing and safety with zero fatality.
- We aim to continue strengthening our technology and automation in our business ecosystem to achieve sustainability across our operations and a customer-centric approach for robust economic performance.
- 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.
- The Company's ESG roadmap is an ongoing aspiration and has laid down specific commitments, goals and targets under Principle 6 of the Environment Management section.

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

Mr. Pabitrakumar 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.

The Board is responsible for decision making on sustainability related issues.

### 10. Details of Review of NGRBCs by the Company:

| 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 policies undergo periodic review for ensuring compliance with statutory requirements.                             |    |    |    |    |    |    |    |    |   |    |    |    |    |    |    |    |    |

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

No.

### 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: N.A.

## SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

#### Essential Indicators

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

| 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                                    | 7 as a part of familiarization programme.  | All   | 100%  |
| b       | Employees/ Workers other than the Board of Directors and KMPs | On average the employees and workers spent 41 hours on various training programmes | To make certain that the employees are aligned to the requirements of the organization, the employees go through various essential training / awareness sessions as part of the induction covering EHS, Pharmacovigilance, technical and compliance training, prevention of insider training etc. | 100%  |
| c       | Workers   |  |   |   |

#### 2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings with regulators / law enforcement agencies / judicial institutions in FY 2024: Nil

#### 3. Of the instances disclosed above, details of the appeal / revision preferred in cases where monetary or non-monetary action has been appealed: N.A.

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

Your Company prioritizes ethical conduct and integrity, evident through Code of Business Conduct and Ethics accessible on the website and intranet. Additionally, we enforce a stringent anti-bribery policy, which is available on intranet of the Company. Both policies embody a steadfast commitment to zero tolerance for unethical behavior. We actively monitor compliance through our HR and internal audit teams, promptly investigating any violations and reporting findings to the audit committee for action. To ensure understanding and adherence, these policies are integrated into our training programs and readily accessible online.

**Web link of these policies are as under:**

Anti Bribery policy is available on intranet of the Company

Code of Business Conduct and Ethics: <https://www.unichemlabs.com/code-of-business-conduct-ethics.php>

**5. Number of Directors / KMPs / employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption: Nil**

**6. Details of complaints with regard to conflict of interest:**

No complaints of conflict of interest of Directors and KMP were received during the FY 2022-23 and FY 2023-24.

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest: N.A.**

**8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

|                                     | FY 2024 | FY 2023 |
|-------------------------------------|---------|---------|
| Number of days of accounts payables | 65      | 81      |

**9. Open-ness of business**

**Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format:**

| Parameter                  | Metrics   | FY 2024 | FY 2023 |
|----------------------------|---|---------|---------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases                                | Nil     | Nil     |
|                            | b. Number of trading houses where purchases are made from                               | Nil     | Nil     |
|                            | c. Purchases from top 10 trading houses as % of total purchases from trading houses     | Nil     | Nil     |
| Concentration of Sales     | a. Sales to dealers /distributors as % of total sales                                   | Nil     | Nil     |
|                            | b. Number of dealers/ distributors to whom sales are made                               | Nil     | Nil     |
|                            | c. Sales to top 10 dealers /distributors as % of total sales to dealers / distributors  | Nil     | Nil     |
| Share of RPTs in           | a. Purchases (Purchases with related parties /Total Purchases)                          | 0.19%   | 0.00%   |
|                            | b. Sales (Sales to related parties / Total Sales)                                       | 67.77%  | 64.07%  |
|                            | c. Loans & advances (Loans & advances given to related parties/ Total loans & advances) | Nil     | Nil     |
|                            | d. Investments (Investments in related parties / Total Investments made)                | 97.27%  | 97.15%  |



## PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

### Essential Indicators

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

| Sr. No. | Particular | FY 2024 | FY 2023 | Details of improvement in environment and social impacts  |
|---------|------------|---------|---------|---|
| a       | R&D        | 0.41%   | 10.97%  | Installation of capital-intensive machines to detect nitrosamine impurities to reduce and mitigate nitrosamine impurities risk in API and drug safety and quality of the drug supply. |
| b       | Capex      | -       | 4.96%   |   |

2. **(a) Does the entity have procedures in place for sustainable sourcing?**

The Company has Standard Operating Procedures (SOPs) for appointing vendors. Quality, safety and reliable supply of our products is our prime objective. Our supply chain strategy emphasizes sustainable procurement and the Company makes efforts to encourage local sourcing of materials. 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 are in the process to track and monitor the percentage of input materials that are sourced sustainably.

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

A robust waste management program is in place, ensuring responsible handling and disposal of all waste materials. Pharmaceutical waste is efficiently utilized in co-processing to utilize energy from the waste. Reuse, recycle & safe disposal has always been our first preference to deal with hazardous waste.

| Particulars                    | FY 2024 |           |                 | FY 2023 |          |                 |
|--------------------------------|---------|-----------|-----------------|---------|----------|-----------------|
|                                | Re-Used | Recycled  | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | -       | 153.6 MT  | -               | -       | 107.0 MT | -               |
| E-waste                        | -       | 1.4 MT    | -               | -       | 2.1 MT   | -               |
| Hazardous waste                | -       | 2545.8 MT | 3440.8 MT       | -       | 2448 MT  | 2216.2 MT       |
| Other waste                    | 0.5 MT  | -         | 629.7 MT        | 5.2 MT  | -        | 539.6 MT        |

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the 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. Waste is segregated and managed according to its nature, adhering to strict protocols. The Company has got necessary approvals under hazardous waste management and handling rules. Disposal is done through the respective Pollution Control Board authorized agencies.

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.

## PRINCIPLE 3: BUSINESS SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES INCLUDING THOSE IN THEIR VALUE CHAINS

### Essential Indicators

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

| 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)     |
| <b>Permanent Employees</b>            |              |                        |                  |               |                    |               |                    |              |                    |         |                    |             |
| a                                     | Male         | 1,710                  | 1,710            | 100.00        | 1710               | 100.00        | -                  | -            | -                  | -       | -                  | -           |
| b                                     | Female       | 260                    | 260              | 100.00        | 260                | 100.00        | 260                | 100.00       | -                  | -       | 171                | 65.77       |
| c                                     | <b>Total</b> | <b>1,970</b>           | <b>1,970</b>     | <b>100.00</b> | <b>1970</b>        | <b>100.00</b> | <b>260</b>         | <b>13.20</b> | -                  | -       | <b>171</b>         | <b>8.68</b> |
| <b>Other than Permanent Employees</b> |              |                        |                  |               |                    |               |                    |              |                    |         |                    |             |
| a                                     | Male         | 158                    | 158              | 100.00        | 158                | 100.00        | -                  | -            | -                  | -       | -                  | -           |
| b                                     | Female       | 25                     | 25               | 100.00        | 25                 | 100.00        | 25                 | 100.00       | -                  | -       | 18                 | 72.00       |
| c                                     | <b>Total</b> | <b>183</b>             | <b>183</b>       | <b>100.00</b> | <b>183</b>         | <b>100.00</b> | <b>25</b>          | <b>13.66</b> | -                  | -       | <b>18</b>          | <b>9.84</b> |

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)     |
| <b>Permanent employees</b>            |              |                        |                  |               |                    |               |                    |             |                    |             |                    |             |
| a                                     | Male         | 900                    | 900              | 100.00        | 900                | 100.00        | -                  | -           | -                  | -           | -                  | -           |
| b                                     | Female       | 5                      | 5                | 100.00        | 5                  | 100.00        | 5                  | 100.00      | N.A.               | N.A.        | 5                  | 100.00      |
| c                                     | <b>Total</b> | <b>905</b>             | <b>905</b>       | <b>100.00</b> | <b>905</b>         | <b>100.00</b> | <b>5</b>           | <b>0.55</b> | <b>N.A.</b>        | <b>N.A.</b> | <b>5</b>           | <b>0.55</b> |
| <b>Other than Permanent employees</b> |              |                        |                  |               |                    |               |                    |             |                    |             |                    |             |
| a                                     | Male         | 136                    | 136              | 100.00        | 136                | 100.00        | -                  | -           | -                  | -           | -                  | -           |
| b                                     | Female       | -                      | -                | -             | -                  | -             | -                  | -           | -                  | -           | -                  | -           |
| c                                     | <b>Total</b> | <b>136</b>             | <b>136</b>       | <b>100.00</b> | <b>136</b>         | <b>100.00</b> | <b>-</b>           | <b>-</b>    | <b>-</b>           | <b>-</b>    | <b>-</b>           | <b>-</b>    |

Contractual employees are managed by the contractor

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

|  | FY 2024 | FY 2023 |
|--|---------|---------|
| Cost incurred on well- being measures as a % of total revenue of the company | 0.15%   | 0.19%   |

2. Details of retirement benefits, for Current FY and Previous Financial Year

| Sr. No. | Benefits                | FY 2024  |  |  | FY 2023  |  |  |
|---------|-------------------------|--|--|--|--|--|--|
|         |                         | 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                      | 100.00   | 100.00   | Y  | 100.00   | 100.00   | Y  |
| b       | Gratuity                | 92.38  | 87.51  | Y  | 92.54  | 93.92  | Y  |
| c       | ESI                     | 20.58  | 51.78  | Y  | 20.05  | 51.28  | Y  |
| d       | Others - please specify | N.A.   |  |  |  |  |  |

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.**

While our team presently does not include employees with disabilities, we're fully committed to fostering an inclusive environment. We are dedicated to creating a supportive and inclusive physical infrastructure and conducive culture and shall be prepared in future for our locations to be fully accessible for employees with diverse needs.

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

At our Company, we uphold the principle of equal opportunity and embrace diversity as a cornerstone of our culture. We are dedicated to cultivating an inclusive work environment, devoid of any form of discrimination. Our HR policies are designed to ensure compliance with the Rights of Persons with Disabilities Act, 2016, reaffirming our commitment to accessibility and equality for all.

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

| Sr. No. | Gender       | Permanent employees     |                    | Permanent workers       |                    |
|---------|--------------|-------------------------|--------------------|-------------------------|--------------------|
|         |              | Return to work rate (%) | Retention rate (%) | Return to work rate (%) | Retention rate (%) |
| a       | Male         | N.A.                    | N.A.               | N.A.                    | N.A.               |
| b       | Female       | 100                     | 73.34              | N.A.                    | N.A.               |
| c       | <b>Total</b> | <b>100</b>              | <b>73.34</b>       | <b>N.A.</b>             | <b>N.A.</b>        |

Note: Under permanent workers there are no female employees

**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    |

Our approach to addressing employee grievances is multifaceted, ensuring a comprehensive support system:

1. Employees can utilize Grievance Policy, conveniently accessible on our company's intranet, to voice their complaints.
2. In compliance with regulations, we have established an ICC dedicated to addressing Sexual Harassment at Workplace issues. Our detailed Sexual Harassment policy outlines clear procedures for reporting and resolving such concerns, with extensive awareness efforts among our workforce.
3. We provide a platform for employees to report unethical behavior through our Whistle Blower Policy. This policy ensures a structured mechanism for receiving and resolving grievances, with complaints escalated to the Audit Committee of the Board for thorough investigation.
4. HR actively encourages employees to share feedback, suggestions or concerns regarding working conditions, health and safety measures, fostering a culture of open communication.
5. While grievances of non-permanent employees are managed directly by their respective contractors, our company extends cooperation by offering necessary support, information and documentation to facilitate the resolution process, ensuring a seamless experience for all parties involved.

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

Company recognises the right to freedom of association and have recognised union at one plant

| Sr. No. | Particulars                      | FY 2024  |  |              | FY 2023  |  |              |
|---------|----------------------------------|--|--|--------------|--|--|--------------|
|         |                                  | 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)       |
|         | <b>Total Permanent Employees</b> | <b>1,970</b>   | <b>119</b>   | <b>6.04</b>  | <b>2,007</b>   | <b>120</b>   | <b>5.98</b>  |
| a       | Male                             | 1,710  | 119  | 6.96         | 1,732  | 120  | 6.93         |
| b       | Female                           | 260  | 0  | 0.00         | 275  | 0  | 0.00         |
|         | <b>Total Permanent Workers</b>   | <b>905</b>   | <b>134</b>   | <b>14.81</b> | <b>887</b>   | <b>135</b>   | <b>15.22</b> |
| a       | Male                             | 900  | 134  | 14.89        | 881  | 135  | 15.32        |
| b       | Female                           | 5  | 0  | 0.00         | 6  | 0  | 0.00         |

**8. Details of training given to employees and workers**

| Sr. No.          | Category     | FY 2024      |                      |              |                      |              | FY 2023      |                      |               |                      |              |
|------------------|--------------|--------------|----------------------|--------------|----------------------|--------------|--------------|----------------------|---------------|----------------------|--------------|
|                  |              | 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)      |
| <b>Employees</b> |              |              |                      |              |                      |              |              |                      |               |                      |              |
| a                | Male         | 1,868        | 1,850                | 99.04        | 1,786                | 95.61        | 1,878        | 1,878                | 100.00        | 1,776                | 94.57        |
| b                | Female       | 285          | 271                  | 95.09        | 236                  | 82.81        | 307          | 307                  | 100.00        | 252                  | 82.08        |
| c                | <b>Total</b> | <b>2,153</b> | <b>2,121</b>         | <b>98.51</b> | <b>2,022</b>         | <b>93.92</b> | <b>2,185</b> | <b>2,185</b>         | <b>100.00</b> | <b>2,028</b>         | <b>92.81</b> |
| <b>Workers</b>   |              |              |                      |              |                      |              |              |                      |               |                      |              |
| a                | Male         | 1,036        | 1,015                | 97.97        | 1,034                | 99.81        | 932          | 932                  | 100.00        | 930                  | 99.79        |
| b                | Female       | 5            | 5                    | 100.00       | 5                    | 100.00       | 6            | 6                    | 100.00        | 6                    | 100.00       |
| c                | <b>Total</b> | <b>1,041</b> | <b>1,020</b>         | <b>97.98</b> | <b>1,039</b>         | <b>99.81</b> | <b>938</b>   | <b>938</b>           | <b>100.00</b> | <b>936</b>           | <b>99.79</b> |

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

| Sr. No.  | Category         | FY 2024      |              |              | FY 2023      |              |              |
|----------|------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|          |                  | Total (A)    | No. (B)      | (%B/A)       | Total (C)    | No. (D)      | (%D/C)       |
|          | <b>Employees</b> |              |              |              |              |              |              |
| a        | Male             | 1,868        | 1,444        | 77.30        | 1,878        | 1,492        | 79.45        |
| b        | Female           | 285          | 249          | 87.37        | 307          | 254          | 82.74        |
| <b>c</b> | <b>Total</b>     | <b>2,153</b> | <b>1,693</b> | <b>78.63</b> | <b>2,185</b> | <b>1,746</b> | <b>79.91</b> |
|          | <b>Workers</b>   |              |              |              |              |              |              |
| a        | Male             | 1,036        | 709          | 68.44        | 932          | 727          | 78.00        |
| b        | Female           | 5            | 5            | 100.00       | 6            | 6            | 100.00       |
| <b>c</b> | <b>Total</b>     | <b>1,041</b> | <b>714</b>   | <b>68.59</b> | <b>938</b>   | <b>733</b>   | <b>78.14</b> |

## 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 such 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 uses various processes to identify work-related hazards such as Hazard Operability study process, Hazard identification & Risk assessment process (HIRA) and Environmental Impact Assessment (EIA) to identify hazards in routine activities. Risk matrix is used to assess the risk associated with identified hazard and required control measures are taken as necessary. All risk assessments are reviewed during any change, modification, upgradation as well as on a periodic basis. Also, Job Safety Analysis and Permit to work procedures are followed to identify work-related hazards in non-routine activities.

### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes / No)

Yes, systems are in place to report work related hazards. Safety suggestion boxes are provided at each site where employees and workers can drop their concerns with details of hazard identified. Based on the concerns raised, hazard risk level is evaluated and CAPA is implemented to either eliminate or to minimise hazard levels.

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

Yes, The Company has an Occupational Health center at all locations with trained medical staff. A doctor on call facility is also made available if required. Medical check-ups are 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. The Mediclaim policy of the Company also provides maternity benefits to its female employees.

## 11. Details of safety-related incidents

| Sr. No. | Safety Incident / Number   | Category  | FY 2024 | FY 2023 |
|---------|--|-----------|---------|---------|
| a       | Lost Time Injury Frequency Rate (LTIFR)<br>(per one million person hours worked) | Employees | 0.00    | 0.30    |
|         |  | Workers   | 0.00    | 0.71    |
| b       | Total recordable work-related injuries   | Employees | 3       | 2       |
|         |  | Workers   | 6       | 4       |
| c       | No. of fatalities  | Employees | 0       | 0       |
|         |  | Workers   | 0       | 0       |
| d       | High consequence work-related injury or<br>ill-health (excluding fatalities)     | Employees | 0       | 0       |
|         |  | Workers   | 0       | 0       |

## 12. Describe the measures taken by the entity to ensure a safe and healthy work place

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 comprises involvement from workers. Safety assessment is carried out to verify compliance with internal standards as well as statutory requirements. Medical checkups are periodically undertaken. Safety promotional activities such as celebration of safety & fire service week are undertaken to improve awareness and motivate workers. Health awareness camps are also organized from time to time.

### 13. Number of complaints on the following made by employees

| Sr. No. | Particulars        | FY 2024               |                                       |         | FY 2023               |                                       |         |
|---------|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|         |                    | 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   |

*All our plants and offices are periodically assessed by internal teams and external agencies as and when required*

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

The company has set procedures for investigation of safety related incidents and implement corrective and preventive actions, if any, in a time bound manner. There are no pending actions for safety related incidents. 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 is bridged in a timely manner.

## PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

### Essential Indicators

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

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       | Employees             | No   | Town hall, Open houses, notice boards, appraisals, rewards and recognitions programs, grievance mechanisms, workshops, intranet, e-mails and employee engagement activities | Need Based  | To understand and dialogue with employees regarding their queries concerning learning, performance, career development, grievances and cultivating a secure, equality driven work atmosphere. To address their queries on management expectations post transition. |
| b       | Customers             | No   | E-mails and customer meet, participation in trade fairs, website, grievance redressal mechanism   | Need based  | Intimating them on our products, building stronger relationships, enhancing businesses and keep them informed about new products.  |
| c       | 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 in new jurisdictions.  |
| d       | Suppliers and Vendors | No   | E-mails, meetings, facility audits and grievance mechanism  | Continuous  | To ensure a continuous supply of goods without any interruptions. To understand the GMP compliance status and practices. Alternate vendor developments.  |

| 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   |
|---------|--------------------------|--|---|---|---|
| e       | Communities              | Yes  | Directly or through Implementing agencies, wherever applicable  | Need based  | To develop a sustainable ecosystem for our communities where we operate and providing them with support for health, education and sanitation as per need. |
| f       | Investors / Shareholders | No   | Email, newspaper advertisement, website, AGM, disclosures to stock exchanges, investor calls and meetings                     | Need based and Quarterly  | To update them about important developments in the Company and address their grievances, if any.  |

## PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### Essential Indicator

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Sr. No.                | Particulars          | FY 2024      |  |              | FY 2023 *    |  |               |
|------------------------|----------------------|--------------|--|--------------|--------------|--|---------------|
|                        |                      | Total (A)    | No. of employees / workers covered (B) | (%B/A)       | Total (C)    | No. of employees / workers covered (D) | (%D/C)        |
| <b>Employees</b>       |                      |              |  |              |              |  |               |
| a                      | Permanent            | 1,970        | 1,940                                  | 98.48        | 2,007        | 2007                                   | 100.00        |
| b                      | Other than permanent | 183          | 181                                    | 98.91        | 178          | 178                                    | 100.00        |
| <b>Total Employees</b> |                      | <b>2,153</b> | <b>2,121</b>                           | <b>98.51</b> | <b>2,185</b> | <b>2185</b>                            | <b>100.00</b> |
| <b>Workers</b>         |                      |              |  |              |              |  |               |
| a                      | Permanent            | 905          | 891                                    | 98.45        | 887          | 887                                    | 100.00        |
| b                      | Other than permanent | 136          | 129                                    | 94.85        | 51           | 51                                     | 100.00        |
| <b>Total Workers</b>   |                      | <b>1,041</b> | <b>1,020</b>                           | <b>97.98</b> | <b>938</b>   | <b>938</b>                             | <b>100.00</b> |

\* Company did not have any mechanism to track fully, as it was the first year wherein such details were asked for, hence all were marked as attended.

2. Details of minimum wages paid to employees and workers, in the following format:

| Sr. No.                     | Category         | FY 2024      |                       |              |                        |               | FY 2023      |                       |              |                        |              |
|-----------------------------|------------------|--------------|-----------------------|--------------|------------------------|---------------|--------------|-----------------------|--------------|------------------------|--------------|
|                             |                  | 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)      |
| <b>Employees</b>            |                  |              |                       |              |                        |               |              |                       |              |                        |              |
|                             | <b>Permanent</b> | <b>1,970</b> | <b>0</b>              | <b>0.00</b>  | <b>1,970</b>           | <b>100.00</b> | <b>2,007</b> | <b>15</b>             | <b>0.75</b>  | <b>1,992</b>           | <b>99.25</b> |
| a                           | Male             | 1,710        | 0                     | 0.00         | 1,710                  | 100.00        | 1,732        | 15                    | 0.87         | 1,717                  | 99.13        |
| b                           | Female           | 260          | 0                     | 0.00         | 260                    | 100.00        | 275          | 0                     | 0.00         | 275                    | 100.00       |
| <b>Other than Permanent</b> |                  | <b>183</b>   | <b>2</b>              | <b>1.09</b>  | <b>181</b>             | <b>98.91</b>  | <b>178</b>   | <b>85</b>             | <b>47.75</b> | <b>93</b>              | <b>52.25</b> |
| a                           | Male             | 158          | 2                     | 1.27         | 156                    | 98.73         | 146          | 85                    | 58.22        | 61                     | 41.78        |
| b                           | Female           | 25           | 0                     | 0.00         | 25                     | 100.00        | 32           | 0                     | 0.00         | 32                     | 100.00       |
| <b>Workers</b>              |                  |              |                       |              |                        |               |              |                       |              |                        |              |
|                             | <b>Permanent</b> | <b>905</b>   | <b>15</b>             | <b>1.66</b>  | <b>890</b>             | <b>98.34</b>  | <b>887</b>   | <b>4</b>              | <b>0.45</b>  | <b>883</b>             | <b>99.55</b> |
| a                           | Male             | 900          | 15                    | 1.67         | 885                    | 98.33         | 881          | 4                     | 0.45         | 877                    | 99.55        |
| b                           | Female           | 5            | 0                     | 0.00         | 5                      | 100.00        | 6            | 0                     | 0.00         | 6                      | 100.00       |
| <b>Other than Permanent</b> |                  | <b>136</b>   | <b>34</b>             | <b>25.00</b> | <b>102</b>             | <b>75.00</b>  | <b>51</b>    | <b>18</b>             | <b>35.29</b> | <b>33</b>              | <b>64.71</b> |
| a                           | Male             | 136          | 34                    | 25.00        | 102                    | 75.00         | 51           | 18                    | 35.29        | 33                     | 64.71        |
| b                           | Female           | 0            | 0                     | 0.00         | 0                      | 0.00          | 0            | 0                     | 0.00         | 0                      | 0.00         |

### 3. Details of remuneration/salary/wages

#### a. Median remuneration/wages:

| Sr. No. | Particulars                               | Male   |  | Female |  |
|---------|---|--------|--|--------|--|
|         |   | Number | Median remuneration/ salary/wages of respective category (Amount in ₹) | Number | Median remuneration/ salary/wages of respective category (Amount in ₹) |
| a       | Board of Directors (BoD)                  | 9      | 13,00,000  | 1      | 8,50,000   |
| b       | Key Managerial Personnel (other than BoD) | 2      | 91,31,388  | 0      | -  |
| c       | Employees other than BoD and KMP          | 1865   | 6,00,000   | 285    | 4,77,294   |
| d       | Workers                                   | 1036   | 3,09,060   | 5      | 5,40,516   |

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

|   | FY 2024 | FY 2023 |
|---|---------|---------|
| Gross wages paid to females as % of total wages | 8.11    | 8.48    |

### 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)

Our primary aim is to cultivate an inclusive workplace environment where each person is treated with dignity and respect, empowering them to thrive professionally. To uphold this commitment, our ICC addresses any instances of workplace sexual harassment promptly and comprehensively, ensuring a secure and supportive atmosphere for all employees. We maintain a strict policy of zero tolerance towards unethical behaviour. Employees are encouraged to report any concerns to either the Whistle Blower Committee or through the channels provided in our Code of Business Conduct and Ethics, which are overseen by the Company's Audit Committee. Moreover, employees are welcome to directly notify the HR head at their respective locations or at our registered office about any violations of human rights.

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

As mentioned in point no. 4 above.

### 6. Number of complaints on the following made by employees and workers:

| Sr. No. | Particulars                       | FY 2024               |   |         | FY 2023               |   |         |
|---------|-----------------------------------|-----------------------|---|---------|-----------------------|---|---------|
|         |                                   | 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                 | 0                     | 0   | Nil     | 1                     | 0   | Nil     |
| b       | Discrimination in workplace       | 0                     | 0   | Nil     | 0                     | 0   | Nil     |
| c       | Child labour                      | 0                     | 0   | Nil     | 0                     | 0   | Nil     |
| d       | Forced labour/involuntary labour  | 0                     | 0   | Nil     | 0                     | 0   | Nil     |
| e       | Wages                             | 0                     | 0   | Nil     | 2                     | 0   | Nil     |
| f       | Other human rights related issues | 0                     | 0   | Nil     | 0                     | 0   | Nil     |

### 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

|   | FY 2024 | FY 2023 |
|---|---------|---------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0       | 1       |
| Complaints on POSH as % of female employees / workers   | 0%      | 0.33%   |
| Complaints on POSH upheld   | 0       | 0       |

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

We prioritize safeguarding the privacy of our employees, ensuring that all reports of discrimination and harassment are handled with utmost confidentiality. Our workplace Sexual Harassment Policy, Code of Business Conduct and Ethics, and Whistle Blower policy are designed to guarantee that the complaint process remains free from reprisals, retaliation or coercion against individuals who file complaints.

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

Yes, in certain business agreements and contracts where relevant.

**10. Assessments for the year**

| Sr. No. | Particulars                 | % of plants and offices that were assessed<br>(by entity or statutory authorities or third parties)   |
|---------|-----------------------------|---|
| a       | Child labour                | All our plants are assessed by the applicable statutory authorities and bodies from time to time. Internal audit is carried out as and when required. |
| b       | Forced/involuntary labour   |   |
| c       | Sexual harassment           |   |
| d       | Discrimination at workplace |   |
| e       | Wages                       |   |
| f       | Others – please specify     |   |

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

In the current year we haven't received any corrective action directives, as we are compliant to the applicable laws.

**PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Sr. No. | Parameter  | FY 2024       | FY 2023       |
|---------|--|---------------|---------------|
|         | <b>From renewable sources</b>  |               |               |
| 1       | Total electricity consumption (A)  | 125           | 140           |
| 2       | Total fuel consumption (B)   | 15115         | 0             |
| 3       | Energy consumption through other sources (C)   | 0             | 0             |
| 4       | <b>Total energy consumed from renewable sources (A+B+C)</b>  | <b>15240</b>  | <b>140</b>    |
|         | <b>From non-renewable sources</b>  |               |               |
| 5       | Total electricity consumption (D)  | 287552        | 258100        |
| 6       | Total fuel consumption (E)   | 191489        | 312486        |
| 7       | Energy consumption through other sources (F)   | 0             | 0             |
| 8       | <b>Total energy consumed from non-renewable sources (D+E+F)</b>  | <b>479041</b> | <b>570586</b> |
| 9       | <b>Total energy consumed (A+B+C+D+E+F)</b>   | <b>494281</b> | <b>570726</b> |
| 10      | <b>Energy intensity per rupee of turnover</b><br>(Total energy consumed / Revenue from operations)   | 0.000034274   | 0.000053218   |
| 11      | <b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total energy consumed / Revenue from operations adjusted for PPP) | 0.000802      | 0.001245299   |
| 12      | <b>Energy intensity in terms of physical output</b>  | <b>135</b>    | <b>300.81</b> |
| 13      | Energy intensity (optional) – the relevant metric may be selected by the entity  | -             | -             |

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

**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.:**

N.A.



### 3. Provide details of the following disclosures related to water

| Sr. No.   | Parameter   | FY 2024         | FY 2023         |
|---|---|-----------------|-----------------|
| <b>Water withdrawal by source (in kiloliters)</b> |   |                 |                 |
| a   | Surface water   | 1,32,036        | 1,49,314        |
| b   | Groundwater   | 1,46,307        | 1,44,501        |
| c   | Third-party water   | 1,18,117        | 1,13,543        |
| d   | Seawater / desalinated water  | 0               | 0               |
| e   | Others  | 0               | 0               |
| <b>f</b>  | <b>Total volume of water withdrawal (in kiloliters) (a + b + c + d + e)</b>   | <b>3,96,459</b> | <b>4,07,359</b> |
| <b>g</b>  | <b>Total volume of water consumption (in kiloliters)</b>  | <b>3,96,459</b> | <b>4,07,359</b> |
| <b>h</b>  | <b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)  | <b>0.000027</b> | <b>0.000038</b> |
| i   | Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) | 0.000643        | 0.000889        |
| j   | Water intensity in terms of physical output   | 108.28          | 214.70          |
| k   | Water intensity (optional) – the relevant metric may be selected by the entity  | -               | -               |

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.

### 4. Provide the following details related to water discharged:

| Sr. No.  | Parameter  | FY 2024   | FY 2023   |
|--|--|---|---|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |  |   |   |
| (i)  | To Surface water                                   |   |   |
|  | - No treatment                                     | 0   | 0   |
|  | - With treatment–please specify level of treatment | 50109 KL. Wastewater is discharged after treatment in ETP equipped with primary, secondary & tertiary treatment.              | 43724 KL Wastewater is discharged after treatment in ETP equipped with primary, secondary & tertiary treatment.               |
| (ii)   | To Groundwater                                     |   |   |
|  | - No treatment                                     | 0   | 0   |
|  | - With treatment–please specify level of treatment | 0   | 0   |
| (iii)  | To Seawater  |   |   |
|  | - No treatment                                     | 0   | 0   |
|  | - With treatment–please specify level of treatment | 0   | 0   |
| (iv)   | Sent to third-parties                              |   |   |
|  | - No treatment                                     | 0   | 0   |
|  | - With treatment–please specify level of treatment | 18443 KL Wastewater is discharged to CETP after treatment in ETP equipped with primary, secondary & tertiary treatment.       | 11371 KL Wastewater is discharged to CETP after treatment in ETP equipped with primary, secondary & tertiary treatment.       |
| (v)  | Others   |   |   |
|  | - No treatment                                     | 0   | 0   |
|  | - With treatment–please specify level of treatment | 157840 KL Wastewater is recycled after treatment in ETP/RO equipped with primary, secondary, tertiary and advanced treatment. | 152396 KL Wastewater is recycled after treatment in ETP/RO equipped with primary, secondary, tertiary and advanced treatment. |
| <b>Total water discharged (in kilolitres)</b>                                |  | <b>226392 KL</b>  | <b>207491 KL</b>  |

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

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

We aim to reduce usage of natural resources by maximising recycle & reuse of waste water at all locations. We treat wastewater generated from our process and recycle it for other suitable uses thereby reducing the load on fresh water consumption. Four of our manufacturing plants, namely Roha, Pithampur, Kolhapur and Goa, recycle and reuse all the wastewater generated within the site and have achieved Zero Liquid Discharge. Treated water is reused wherever possible as per consent conditions, e.g. in cooling tower, toilet flushing, gardening etc.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Sr. No. | Parameter                           | Please Specify Unit | FY 2024 | FY 2023 |
|---------|-------------------------------------|---------------------|---------|---------|
| a       | NOx                                 | mg/Nm3              | 69.34   | 35.63   |
| b       | SOx                                 | mg/Nm3              | 136.56  | 104.48  |
| c       | Particulate Matter (PM)             | mg/Nm3              | 45.69   | 40.96   |
| d       | Persistent Organic Pollutants (POP) | mg/Nm3              | 0       | 0       |
| e       | Volatile Organic Compounds (VOC)    | mg/Nm3              | 0       | 0       |
| f       | Hazardous Air Pollutants (HAP)      | mg/Nm3              | 0       | 0       |
| g       | Others please specify               | mg/Nm3              | 0       | 0       |

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. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Sr. No. | Parameter  | Unit   | FY 2024     | FY 2023     |
|---------|--|--|-------------|-------------|
| a       | Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)   | Metric tonnes of CO2 equivalent  | 13842       | 16125       |
| b       | Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)   | Metric tonnes of CO2 equivalent  | 74188       | 66760       |
| c       | Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)   | Metric tonnes of CO2 equivalent per rupee of turnover                  | 0.000006104 | 0.000007729 |
| d       | Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP) | Metric tonnes of CO2 equivalent per rupee of turnover adjusted for PPP | 0.000142835 | 0.000180851 |
| e       | Total Scope 1 and Scope 2 emission intensity in terms of physical output   | Metric tonnes of CO2 equivalent per metric tonnes of production        | 24.044      | 43.686      |
| f       | Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity  |  | -           | -           |

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

**8. Does the entity have any project related to reducing Green House Gas emission? 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 used at manufacturing locations wherever it is available. Fossil Fuel fired Boilers are converted to Clean Biomass Fuel fired Boilers for Steam Generation at Kolhapur & Pithampur. Solar powered panels are installed at Roha to generate electricity for office use at Roha. All new HVAC chillers are installed with R-134A & R410A refrigerant.

Also, energy conservation measures are ongoing to reduce electricity and steam consumption which ultimately reduces greenhouse gas emissions, e.g.

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

9. Provide details related to waste management by the entity, in the following format:

| Sr. No.  | Parameter  | FY 2024         | FY 2023         |
|--|--|-----------------|-----------------|
| <b>Total Waste generated (in metric tonnes)</b>  |  |                 |                 |
| (i)  | Plastic waste (A)  | 153.60          | 107.00          |
| (ii)   | E-waste (B)  | 1.40            | 2.10            |
| (iii)  | Bio-medical waste (C)  | 9.30            | 10.30           |
| (iv)   | Construction and demolition waste (D)  | 0.00            | 0.00            |
| (v)  | Battery waste (E)  | 3.10            | 0.70            |
| (vi)   | Radioactive waste (F)  | 0.00            | 0.00            |
| (vii)  | Other Hazardous waste. Please specify, if any. (G)   | 5,986.60        | 4,664.30        |
| (vii)  | Other Non-hazardous waste generated (H). Please specify, if any.<br>(Break-up by composition i.e. by materials relevant to the sector) | 620.40          | 529.40          |
| <b>Total (A+B + C + D + E + F + G+ H)</b>  |  | <b>6,774.40</b> | <b>5,313.70</b> |
| <b>Waste intensity per rupee of turnover</b><br>(Total waste generated / Revenue from operations)  |  | 0.000000470     | 0.000000495     |
| <b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP) |  | 0.000010992     | 0.000011594     |
| <b>Waste intensity in terms of physical output</b>   |  | 1.850           | 2.801           |
| <b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity  |  | -               | -               |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)</b>               |  |                 |                 |
| <b>Category of waste</b>   |  |                 |                 |
| (i)  | Recycled   | 2,703.90        | 2,557.80        |
| (ii)   | Re-used  | 0.50            | 5.20            |
| (iii)  | Other recovery operations  | 105.90          | 27.20           |
| <b>Total</b>   |  | <b>2,810.30</b> | <b>2,590.20</b> |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)</b>  |  |                 |                 |
| <b>Category of waste</b>   |  |                 |                 |
| (i)  | Incineration   | 242.10          | 296.30          |
| (ii)   | Landfilling  | 3,463.50        | 2,227.10        |
| (iii)  | Other disposal operations  | 260.40          | 200.10          |
| <b>Total</b>   |  | <b>3,966.00</b> | <b>2,723.50</b> |

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

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

All sites have requisite approval to handle hazardous waste as per the statute. 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 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 persons.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: N.A.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: N.A.

The company is cautious about the protection of the environment and all necessary evaluations are done to ensure compliance with regulatory requirements and obligations. In the current financial year no major project was undertaken which required environmental impact assessment study.

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

Yes, the Company is 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 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.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**

1. Number of affiliations with trade and industry chambers / associations.

The Company is a member of three major industry chambers/associations

2. 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       | Confederation of Indian Industry                     | National  |

3. 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 a 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 and its subsidiary 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 of the Company on the basis of abundant precaution had made full provision in the books towards EU fine.

**PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:  
Not Applicable

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

3. Describe the mechanisms to receive and redress grievances of the community.

Unichem is committed to have conscious development ensuring net positive impact to the environment and society. Our operation has generated employment at local level in direct form as well as secondary opportunities are generated. Our sites are designed to be highly compliance oriented to ensure no significant negative impact is caused on the environment due to emission. They have significant green cover and most of our sites have adopted zero discharge. The Company has a dedicated email ID namely [contact@unichemlabs.com](mailto:contact@unichemlabs.com) to receive the grievances. Community grievances received through any route is thoroughly investigated and addressed.

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

| Sr. No. | Particular                                   | FY 2024 | FY 2023 |
|---------|--|---------|---------|
| a       | Directly sourced from MSMEs/ small producers | 3.34%   | 3.22%   |
| b       | Directly from within India                   | 91.77%  | 93.96%  |

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

| Sr. No. | Location     | FY 2024 | FY 2023 |
|---------|--------------|---------|---------|
| a       | Rural        | 0.00    | 0.00    |
| b       | Semi-urban   | 8.47    | 7.65    |
| c       | Urban        | 67.11   | 62.84   |
| d       | Metropolitan | 24.42   | 29.51   |

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

Company has a well-defined guideline on handling of market complaints which is issued by Corporate Quality Assurance (CQA). Based on this issued guidance, manufacturing plant prepares their own Standard Operating Procedures (SOP's). This SOP provides adequate guidance with respect to recording of complaints received, their classification and further investigation which includes identification of root cause and appropriate corrective and preventive action to avoid its recurrence. Adopted CAPA's are monitored for their effectiveness prior to closure of market complaints. Company has defined timelines specified in the SOP with respect to critical, major and minor complaints within which they need to be handled.

The Company has provided a dedicated e-mail ID namely [contact@unichemlabs.com](mailto:contact@unichemlabs.com) wherein any consumer 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/service that carry information about:**

| Sr. No. | Particulars   | As a % of Total turnover  |
|---------|---|---|
| a       | Environment and social parameters relevant to the product | Nil   |
| b       | Safe and responsible usage                                | 100%<br>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<br>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 2024                  |   |                                  | FY 2023                  |   |                                  |
|---------|--|--------------------------|---|----------------------------------|--------------------------|---|----------------------------------|
|         |  | 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                      | N.A.                                      | -                                | Nil                      | N.A.                                      | -                                |
| b       | Advertising                              | Nil                      | N.A.                                      | -                                | Nil                      | N.A.                                      | -                                |
| c       | Cyber-security                           | Nil                      | N.A.                                      | -                                | Nil                      | N.A.                                      | -                                |
| d       | Restrictive Trade Practices              | Nil                      | 1   | Refer to Principle 7 Point No. 2 | Nil                      | 1   | Refer to Principle 7 Point No. 2 |
| e       | Unfair Trade Practices                   | Nil                      | N.A.                                      | -                                | Nil                      | N.A.                                      | -                                |
| f       | Others: clarification on technology used | Nil                      | N.A.                                      | -                                | Nil                      | N.A.                                      | -                                |
| g       | Others: Product related                  | Nil                      | N.A.                                      | -                                | Nil                      | N.A.                                      | -                                |

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

| Sr. No. | Particular        | Number | Reasons for recall   |
|---------|-------------------|--------|--|
| a       | Voluntary Recalls | 1      | To ensure our alignment to the highest standards of quality and laid down SOPs |
| b       | Forced Recalls    | Nil    | -  |

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:

Yes, it is available on the intranet of the 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.

#### 7. Provide the following information relating to data breaches:

- Number of instances of data breaches: Nil
- Percentage of data breaches involving personally identifiable information of customers: Nil
- Impact, if any, of the data breaches: Nil

# Independent Auditors' Report to the Members of Unichem Laboratories Limited

To  
The Members,  
**Unichem Laboratories Limited**

## Report on the Audit of the Standalone Financial Statements

### 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, 2024, 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 material 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, 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, 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

3. 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 opinion on the standalone financial statements.

### Key Audit Matters

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

#### 4.1 Financial exposure of the Company in its subsidiary 'Niche Generic Limited', UK

The subsidiary has continued to have accumulated losses, negative net-worth and its liabilities are higher than current assets. Further, considering the uncertainty in regard to ongoing litigation related to EU fine matter [as elaborated in note 38 of standalone financial statement].

This has been identified as a key audit matter due to magnitude of the amount involved, uncertainty of the matter and the potential financial impact on the financial statements. There is significant judgement required by management in assessing the above exposure.

The management of the Company on the basis of abundant precaution has made full provision of Euro 13.96 million which is equivalent to ₹ 12,562.25 lakhs towards EU fine which is accounted / disclosed under exceptional item for the year ended 31st March, 2024.

The Company's balance financial exposure (net of impairment of investment and provision for EU Fine) is ₹ 6,563.32 lakhs which comprises of outstanding trade receivable and corporate guarantee given by the Company to bank on behalf of the subsidiary. Considering the above and turnaround in the performance of Niche and the future business outlook, the management is of the view that no provision is required against the above exposure.

For the purpose of our audit, we have considered margins earned by the subsidiary and discussion with management for business outlook and subsidiary's auditor's report.

### Information other than the standalone financial statements and Auditor's Report Thereon

5. 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

6. 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, including the accounting standards specified under section 133 of the Act read with the

Companies (Accounting Standards) Rules, 2021. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and 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**

7. 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 and Board of Directors 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**

8. 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, to the extent applicable.
9. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit 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. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act



read with the Companies (Accounting Standards) Rules, 2021;

- e. On the basis of the written representations received from the directors as on 31st March, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of internal financial controls over financial reporting of the 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;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:  
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
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer note 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 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.

Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

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

**Bhavin Kapadia**  
Partner  
Membership No.: 118991  
UDIN.: 24118991BKFQVD2409

Place: Mumbai  
Date: 22nd May, 2024

**Annexure I to Independent Auditor's Report for the year ended 31st March, 2024**

**[Referred to point 8 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 as reflected in the books.
  - 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, 2024 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 cr. 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<br>(in lakhs) | Amount in INR*<br>(in lakhs) |
|---|------------------------------|------------------------------|
| Aggregate amount of guarantees (including renewal) provided during the year | 7.50                         | 674.93                       |
| Closing balance of guarantees provided as on 31st March, 2024               | 30.00                        | 2,699.70                     |

\* exchange rate as on 31st March, 2024

- (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 ₹ 2.91 lakhs (including ₹ 2.67 lakhs of last year) which will be paid-off on linking of Aadhaar 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, 2024, 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 undisputed sales tax, goods and services tax, service tax, duty of customs, duty of excise and value added tax as on 31st March, 2024, 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 2015-2016                                 | 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 Central Goods and Services Tax Act, 2017 | Disallowance of Input tax Rebate             | 101.12          | 4.94                   | 96.19         | FY 2018-2019                                 | Deputy Commissioner of Sales Tax, Maharashtra                            |
| The Central Excise Act, 1944                 | Duty and Penalty                             | 208.04          | -                      | 208.04        | FY 2016-2017 & FY 2017-2018 (upto June 2017) | Appellate Tribunal - Panjim (To be constituted)                          |
| The Finance Act, 1994 (Service Tax)          | Disallowance of Service Tax Credit & Penalty | 139.88          | 8.34                   | 131.54        | January 2012 to March 2012                   | Appellate Tribunal (CESTAT) - Kolkata                                    |
| 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 | 816.82          | 28.91                  | 787.91        | FY 2008-2009 to August 2015                  | Appellate Tribunal (CESTAT) - Mumbai                                     |

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 institutions 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 associates. 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 an 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 whistleblower 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 not incurred any cash losses. In the previous year, the Company had incurred cash losses of ₹ 11,518.20 lakhs (a) after considering the effects of qualification and (b) excluding realized gain on equity instrument which is recognized in 'Other Comprehensive Income' 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, 2024 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, 2024.

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

**Bhavin Kapadia**  
Partner  
Membership No.: 118991  
UDIN.: 24118991BKFQVD2409

Place: Mumbai  
Date: 22nd May, 2024

## Annexure II to Independent Auditor's Report for the year ended 31st March, 2024

[Referred to point 9(f) 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, 2024, 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, 2024, 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

#### **Bhavin Kapadia**

Partner

Membership No.: 118991

UDIN.: 24118991BKFQVD2409

Place: Mumbai

Date: 22nd May, 2024

# Standalone Balance Sheet as at 31st March, 2024

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

| Particulars  | Note No.      | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------|------------------------|------------------------|
| <b>I. ASSETS</b>   |               |                        |                        |
| <b>Non-current assets</b>  |               |                        |                        |
| (a) Property, plant and equipment  | 3             | 1,11,644.88            | 1,18,511.70            |
| (b) Right of use assets  | 4             | 4,849.07               | 5,082.58               |
| (c) Capital work-in-progress   | 3             | 12,236.33              | 14,782.00              |
| (d) Other Intangible assets  | 3             | -                      | -                      |
| (e) Financial assets   |               |                        |                        |
| (i) Investments  | 6             | 4,273.44               | 3,897.78               |
| (ii) Loans   | 7             | 12.96                  | 12.76                  |
| (iii) Other financial assets   | 8             | 589.24                 | 631.57                 |
| (f) Other non-current assets   | 9             | 11,815.66              | 16,078.01              |
|  |               | <b>1,45,421.58</b>     | <b>1,58,996.40</b>     |
| <b>Current assets</b>  |               |                        |                        |
| (a) Inventories  | 10            | 50,052.76              | 48,018.93              |
| (b) Financial assets   |               |                        |                        |
| (i) Investments  | 11            | 133.86                 | 153.56                 |
| (ii) Trade receivables   | 12            | 55,841.79              | 47,207.61              |
| (iii) Cash and bank balances   | 13            |                        |                        |
| Cash & cash equivalents  |               | 12,564.95              | 15,566.84              |
| Other bank balances  |               | 341.02                 | 161.09                 |
| (iv) Loans   | 14            | 3.73                   | 5.62                   |
| (v) Other financial assets   | 15            | 23.09                  | 170.69                 |
| (c) Other current assets   | 16            | 21,652.27              | 17,992.07              |
|  |               | <b>1,40,613.47</b>     | <b>1,29,276.41</b>     |
| <b>Non-current assets held for sale</b>  | <b>5</b>      | <b>334.78</b>          | <b>341.10</b>          |
| <b>TOTAL ASSETS</b>  |               | <b>2,86,369.83</b>     | <b>2,88,613.91</b>     |
| <b>II. EQUITY AND LIABILITIES</b>  |               |                        |                        |
| <b>Equity</b>  |               |                        |                        |
| (a) Equity share capital   | 17            | 1,408.12               | 1,408.12               |
| (b) Other equity   | 18            | 2,28,054.48            | 2,37,018.94            |
|  |               | <b>2,29,462.60</b>     | <b>2,38,427.06</b>     |
| <b>Liabilities</b>   |               |                        |                        |
| <b>Non-current liabilities</b>   |               |                        |                        |
| (a) Financial liabilities  |               |                        |                        |
| (i) Borrowings   | 19            | 3,822.21               | 6,364.90               |
| (ii) Lease liabilities   | 20            | 623.89                 | 655.66                 |
| (b) Provisions   | 21            | 3,580.23               | 4,190.69               |
| (c) Deferred tax liabilities (net)   | 22            | -                      | -                      |
| (d) Other non-current liabilities  | 23            | 86.96                  | 109.50                 |
|  |               | <b>8,113.29</b>        | <b>11,320.75</b>       |
| <b>Current liabilities</b>   |               |                        |                        |
| (a) Financial liabilities  |               |                        |                        |
| (i) Borrowings   | 24            | 2,566.32               | 3,802.62               |
| (ii) Lease liabilities   | 20            | 17.43                  | 2.00                   |
| (iii) Trade payables   | 25            |                        |                        |
| Total outstanding dues of micro enterprises and small enterprises                      |               | 349.13                 | 551.31                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |               | 24,599.92              | 23,895.97              |
| (iv) Other financial liabilities   | 26            | 2,400.71               | 4,548.45               |
| (b) Other current liabilities  | 27            | 5,275.19               | 4,865.00               |
| (c) Provisions   | 28            | 13,585.24              | 1,200.75               |
|  |               | <b>48,793.94</b>       | <b>38,866.10</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |               | <b>2,86,369.83</b>     | <b>2,88,613.91</b>     |
| <b>Material accounting policies &amp; notes</b>  | <b>1 - 64</b> |                        |                        |

## 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

**Bhavin Kapadia**

Partner

Membership No.: 118991

Place: Mumbai

Date: 22nd May, 2024

For and on behalf of the Board of Directors

**Dr. Prakash A. Mody**

Non-Independent Chairman (DIN: 00001285)

**Pranay Godha**

Non-Executive, Non-Independent Director (DIN: 00016525)

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sandip Ghume**

Deputy Chief Financial Officer

**Pradeep Bhandari**

Head - Legal & Company Secretary

# Standalone Statement of Profit and Loss for the year ended 31st March, 2024

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

| Particulars  | Note No.  | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|--|-----------|-------------------------------------|-------------------------------------|
| I Revenue from operations  | 29        | 1,44,216.78                         | 1,07,243.22                         |
| II Other income  | 30        | 3,038.60                            | 4,184.75                            |
| <b>III Total Income (I+II)</b>   |           | <b>1,47,255.38</b>                  | <b>1,11,427.97</b>                  |
| <b>IV EXPENSES</b>   |           |                                     |                                     |
| Cost of materials consumed   | 31        | 71,692.11                           | 50,033.50                           |
| Purchases of Stock-in-Trade  |           | 91.09                               | 152.65                              |
| Changes in inventories of finished goods and work-in-progress  | 31        | (2,636.03)                          | 2,201.32                            |
| Employee benefits expense  | 32        | 28,314.49                           | 27,086.47                           |
| Finance costs  | 33        | 1,042.01                            | 938.02                              |
| Impairment loss on financial assets  | 34        | -                                   | 341.72                              |
| Depreciation and amortisation expense  | 3,4       | 10,545.80                           | 10,597.92                           |
| Other expenses   | 35        | 41,663.17                           | 36,718.90                           |
| <b>Total expenses (IV)</b>   |           | <b>1,50,712.64</b>                  | <b>1,28,070.50</b>                  |
| <b>V Profit / (Loss) before exceptional items and tax (III-IV)</b>                                   |           | <b>(3,457.26)</b>                   | <b>(16,642.53)</b>                  |
| VI Exceptional items - expenses/(Income)   | 35.2      | 5,760.77                            | 11,266.44                           |
| <b>VII Profit / (Loss) before tax (V-VI)</b>   |           | <b>(9,218.03)</b>                   | <b>(27,908.97)</b>                  |
| VIII Tax expense:  |           |                                     |                                     |
| (1) Current tax  | 22        | -                                   | -                                   |
| (2) Deferred tax charge / (credit)   | 22        | -                                   | 2,061.22                            |
| (3) Short / (Excess) provision for tax (earlier years)   | 22        | -                                   | -                                   |
|  |           | -                                   | 2,061.22                            |
| <b>IX Profit / (Loss) for the year (VII-VIII)</b>  |           | <b>(9,218.03)</b>                   | <b>(29,970.19)</b>                  |
| 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  |           | (27.38)                             | 224.63                              |
| - Equity instruments through other comprehensive income  |           | -                                   | 1,586.82                            |
| (ii) Income tax (expense) / credit relating to items that will not be reclassified to profit or loss |           |                                     |                                     |
| - Remeasurement of the net defined benefit plan  |           | -                                   | -                                   |
| - Equity instruments through other comprehensive income (net)  |           | -                                   | 2,061.22                            |
| B (i) Items that will be reclassified to profit or loss  |           |                                     |                                     |
| - Gain / (Loss) on cash flow hedge   |           | (25.37)                             | -                                   |
| (ii) Income tax relating to items that will be reclassified to profit or loss                        |           |                                     |                                     |
| - Gain / (Loss) on cash flow hedge   |           | -                                   | -                                   |
| <b>Total of Other Comprehensive Income</b>   |           | <b>(52.75)</b>                      | <b>3,872.67</b>                     |
| <b>XI Total Comprehensive Income for the year (IX+X)</b>   |           | <b>(9,270.78)</b>                   | <b>(26,097.52)</b>                  |
| <b>XII Earnings per equity share (face value of ₹ 2 each)</b>  | <b>49</b> |                                     |                                     |
| (1) Basic  |           | (13.09)                             | (42.57)                             |
| (2) Diluted  |           | (13.09)                             | (42.57)                             |

## Material 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

**Bhavin Kapadia**

Partner

Membership No.: 118991

Place: Mumbai

Date: 22nd May, 2024

### For and on behalf of the Board of Directors

**Dr. Prakash A. Mody**

Non-Independent Chairman (DIN: 00001285)

**Pranay Godha**

Non-Executive, Non-Independent Director (DIN: 00016525)

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sandip Ghume**

Deputy Chief Financial Officer

**Pradeep Bhandari**

Head - Legal & Company Secretary

# Standalone Statement of Changes in Equity for the year ended 31st March, 2024

CIN: L99999MH1962PLC012451

## A. Equity Share Capital

| Particulars  | 2023-2024     |                     | 2022-2023     |                     |
|--|---------------|---------------------|---------------|---------------------|
|  | 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 | Gain / (Loss) on cash flow hedge | Equity instrument through OCI |                    |
| <b>Balance at 31st March, 2022</b>              | <b>1,067.81</b>                            | <b>133.02</b>        | <b>412.00</b>              | <b>2,56,536.48</b> | <b>(886.72)</b>                         | <b>-</b>                         | <b>8,533.38</b>               | <b>2,65,795.97</b> |
| 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)                   | -                  |
| <b>Balance at 31st March, 2023</b>              | <b>1,204.53</b>                            | <b>133.02</b>        | <b>412.00</b>              | <b>2,35,931.48</b> | <b>(662.09)</b>                         | <b>-</b>                         | <b>-</b>                      | <b>2,37,018.94</b> |
| Profit / (Loss) for the year                    | -  | -                    | -                          | (9,218.03)         | -                                       | -                                | -                             | (9,218.03)         |
| Other Comprehensive Income for the year         | -  | -                    | -                          | -                  | (27.38)                                 | (25.37)                          | -                             | (52.75)            |
| Recognition of share-based payment (ESOP) (net) | 306.32                                     | -                    | -                          | -                  | -                                       | -                                | -                             | 306.32             |
| Transfer to retained earnings                   | (1,204.53)                                 | -                    | -                          | 1,204.53           | -                                       | -                                | -                             | -                  |
| <b>Balance at 31st March, 2024</b>              | <b>306.32</b>                              | <b>133.02</b>        | <b>412.00</b>              | <b>2,27,917.98</b> | <b>(689.47)</b>                         | <b>(25.37)</b>                   | <b>-</b>                      | <b>2,28,054.48</b> |

### Material 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 18.1.

**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.
- The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognized and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basic adjustment to the non-financial hedged item.
- 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.

### 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

**Bhavin Kapadia**

Partner

Membership No.: 118991

Place: Mumbai

Date: 22nd May, 2024

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

**Dr. Prakash A. Mody**

Non-Independent Chairman (DIN: 00001285)

**Pranay Godha**

Non-Executive, Non-Independent Director (DIN: 00016525)

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sandip Ghume**

Deputy Chief Financial Officer

**Pradeep Bhandari**

Head - Legal & Company Secretary



# Standalone Statements of Cash Flows for the year ended 31st March, 2024

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|--|--|--|
| <b>A. Cash Flow from Operating Activities</b>                            |  |  |
| <b>Net Profit / (loss) before tax</b>                                    | <b>(9,218.03)</b>                      | <b>(27,908.97)</b>                     |
| Adjustments:   |  |  |
| Depreciation / amortisation  | 10,545.80                              | 10,597.92                              |
| Loss / (profit) on sale / discard of property, plant and equipment (net) | (489.60)                               | (128.26)                               |
| Unrealised exchange difference (gain) / loss (net)                       | 17.33                                  | (144.37)                               |
| Rent income  | (0.10)                                 | (0.10)                                 |
| Guarantee commission income  | (26.95)                                | (25.43)                                |
| Finance cost   | 1,042.01                               | 938.02                                 |
| Provision for doubtful debts, loans, advances & deposits (net)           | 63.88                                  | 67.43                                  |
| Share-based payment to employees   | -                                      | 104.93                                 |
| Fair value (gain) / loss on investments (net)                            | (644.27)                               | (904.94)                               |
| Net (gain) / loss on sales of shares                                     | (6,478.91)                             | 502.24                                 |
| Interest income  | (43.87)                                | (23.99)                                |
| Sundry balances written off / (written back)                             | (8.72)                                 | (8.99)                                 |
| Provision for European commission fine                                   | 12,562.25                              | -                                      |
| Impairment loss on financial assets                                      |  |  |
| - investments in subsidiaries  | -                                      | 9,014.21                               |
| - inter-corporate deposits and interest thereon                          | -                                      | 341.72                                 |
| Dividend income  | (0.43)                                 | (0.59)                                 |
|  | 16,538.42                              | 20,329.80                              |
| Operating Profit / (Loss) before working capital changes                 | 7,320.39                               | (7,579.17)                             |
| Working Capital Adjustments:   |  |  |
| Trade receivables and other assets                                       | (7,865.92)                             | (12,223.19)                            |
| Inventories  | (2,033.83)                             | (1,949.56)                             |
| Trade payable and other liabilities                                      | (1,562.54)                             | 10,028.12                              |
|  | (11,462.29)                            | (4,144.63)                             |
| Cash generated from / (used in) operations                               | (4,141.90)                             | (11,723.80)                            |
| Direct taxes refund received / (payment made)                            | (15.15)                                | (9.17)                                 |
| <b>Net Cash Flow from / (used in) Operating Activities</b>               | <b>A</b>                               | <b>(11,732.97)</b>                     |
| <b>B. Cash Flow from Investing Activities</b>                            |  |  |
| Purchase of property, plant and equipment including Capital WIP          | (2,037.14)                             | (4,204.82)                             |
| Investments made   |  |  |
| - in subsidiaries (at cost)  | (83.43)                                | (270.87)                               |
| Guarantee commission income realised                                     | 172.62                                 | 40.16                                  |
| Sale of current investment (net)   | 6,507.68                               | 23,651.03                              |
| Sale of non current investment (quoted equity shares)                    | 16.21                                  | -                                      |
| Rent received  | 0.10                                   | 0.10                                   |
| (Increase) / decrease in escrow bank accounts                            | (179.93)                               | 329.50                                 |
| Interest received  | 33.20                                  | 66.64                                  |
| Dividend received  | 0.43                                   | 0.59                                   |
| <b>Net cash flow from / (used in) Investing Activities</b>               | <b>B</b>                               | <b>20,249.72</b>                       |
| <b>C. Cash Flow from Financing Activities</b>                            |  |  |
| Increase / (decrease) in working capital borrowings (net)                | (1,236.30)                             | 85.03                                  |
| Repayments of long term borrowings                                       | (2,566.32)                             | (2,566.32)                             |
| Payments of Lease liabilities  | (17.22)                                | (15.16)                                |
| Finance cost paid  | (964.81)                               | (854.02)                               |
| Dividend paid  | (21.35)                                | (2,825.45)                             |
| <b>Net cash flow from / (used in) Financing Activities</b>               | <b>C</b>                               | <b>(6,175.92)</b>                      |
| <b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>    | <b>(3,639.21)</b>                      | <b>2,340.83</b>                        |
| Add: Current investments reclassified as cash and cash equivalents       | -                                      | 3,638.01                               |
| <b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>            | <b>(3,639.21)</b>                      | <b>5,978.84</b>                        |
| <b>Cash and Cash Equivalents at the beginning of the year</b>            | <b>15,566.84</b>                       | <b>9,412.69</b>                        |
| Effect of fair value gain / (loss) on liquid mutual Funds                | 637.32                                 | 175.31                                 |
| <b>Cash and Cash Equivalents at end of the year</b>                      | <b>12,564.95</b>                       | <b>15,566.84</b>                       |
| <b>Material accounting policies &amp; notes</b>                          | <b>1 - 64</b>                          |  |

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

(₹ in Lakhs)

| Particulars  | 1st April, 2023 | Cash inflows / (outflows) | Non cash changes | 31st March, 2024 |
|--|-----------------|---------------------------|------------------|------------------|
| Borrowings - non cash changes arising out of exchange rate fluctuations                  | 10,167.52       | (3,802.62)                | 23.63            | 6,388.53         |
| Lease liabilities - non cash changes arising out of unwinding & additions of liabilities | 657.66          | (17.22)                   | 0.88             | 641.32           |
| 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           |

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

**Bhavin Kapadia**

Partner

Membership No.: 118991

Place: Mumbai

Date: 22nd May, 2024

For and on behalf of the Board of Directors

**Dr. Prakash A. Mody**

Non-Independent Chairman (DIN: 00001285)

**Pranay Godha**

Non-Executive, Non-Independent Director (DIN: 00016525)

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sandip Ghume**

Deputy Chief Financial Officer

**Pradeep Bhandari**

Head - Legal & Company Secretary

# Notes to the Standalone Financial Statements

## for the year ended 31st March, 2024

### 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 SV 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, 2024 were approved and adopted by the Board of Directors of the Company in their meeting dated 22nd May, 2024.

### 2. Material 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. Further, in accordance with the amendments to the Companies (Indian Accounting Standards) Rules, 2023, the company has disclosed material accounting policies as against the significant accounting policies. Considering the nature of transactions and business operation of the Company, accounting policies related to discontinued operations, investment property and share capital are not forming part of material accounting policies.

#### 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. 2.11 and 3)
- iii) Estimation of provisions and contingent liabilities (refer note no. 2.16, 28, 37 and 38)
- iv) Estimation of defined benefit plan and other long term benefits (refer note no. 2.17, 21, 28 and 46)
- v) Fair value measurement and impairment of financial instruments (refer note no. 2.26 and 54)
- vi) Recognition of "Right of use" of assets as per the requirement of Ind AS 116. (refer note no. 2.14, 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.

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.

During the year ended 31st March, 2024, the Company has changed its method of depreciation to straight- line method for all the class of assets which were previously being depreciated on written down value method. This change is made to align the method of depreciation with that of its parent Company.

Consequent to this change, depreciation is provided on all assets (other than free hold land and capital work-in-progress), on pro-rata basis, using Straight-Line method based on the respective estimate of useful lives.

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 equipment [other than below]  | 10 to 15 years                            |
| Plant and equipment [continuous processing assets and other special equipment 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. Non-Current assets held for sale

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.

## 2.11. 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.

## 2.12. 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.

### 2.13. 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).

### 2.14. 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. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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.

### 2.15. Inventories

Inventories consists of raw materials, packing materials, stores and spares, stock-in-trade, work-in-progress and finished goods. Inventories of raw material, packing material and 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.

### 2.16. 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.

### 2.17. 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.

**2.18. 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-Merton option pricing 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/surrendered by the employees.

**2.19. 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.

**2.20. 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.

**2.21. 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.

#### **2.22. 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.

#### **2.23. 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.

#### **2.24. 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.

#### **2.25. 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.

#### **2.26. 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.

##### **Derivative financial instruments and hedge accounting**

###### **Initial recognition and subsequent measurement**

The Company uses derivative financial instruments such as forward currency contracts, interest rate swaps to hedge its foreign currency risks, interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the Statement of Profit and Loss.

###### **Cash flow hedge**

The company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

## **2.27. Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards of amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not modified any new standards or amendments to the existing standards applicable to the Company.



### 3 PROPERTY, PLANT & EQUIPMENT

(₹ 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 |
| <b>Gross carrying value, at cost</b>           |                             |                  |                    |                     |               |                  |                    |                          |                         |                               |
| <b>As at 31st March, 2022</b>                  | <b>378.01</b>               | <b>37,196.11</b> | <b>86,271.90</b>   | <b>1,278.81</b>     | <b>483.63</b> | <b>1,102.44</b>  | <b>1,26,710.90</b> | <b>49,417.99</b>         | <b>428.28</b>           | <b>428.28</b>                 |
| 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                | -                       | -                             |
| <b>As at 31st March, 2023</b>                  | <b>378.01</b>               | <b>49,430.88</b> | <b>1,10,068.36</b> | <b>1,700.38</b>     | <b>469.45</b> | <b>1,338.50</b>  | <b>1,63,385.58</b> | <b>14,782.00</b>         | <b>435.45</b>           | <b>435.45</b>                 |
| Additions                                      | -                           | 364.66           | 3,507.13           | 7.66                | -             | 19.25            | 3,898.70           | 1,400.05                 | -                       | -                             |
| Disposal                                       | -                           | 367.06           | 100.10             | 162.13              | 241.68        | 51.29            | 922.26             | -                        | 0.62                    | 0.62                          |
| Capitalisation                                 | -                           | -                | -                  | -                   | -             | -                | -                  | 3,945.72                 | -                       | -                             |
| <b>As at 31st March, 2024</b>                  | <b>378.01</b>               | <b>49,428.48</b> | <b>1,13,475.39</b> | <b>1,545.91</b>     | <b>227.77</b> | <b>1,306.46</b>  | <b>1,66,362.02</b> | <b>12,236.33</b>         | <b>434.83</b>           | <b>434.83</b>                 |
| <b>Accumulated Depreciation / amortisation</b> |                             |                  |                    |                     |               |                  |                    |                          |                         |                               |
| <b>As at 31st March, 2022</b>                  | -                           | <b>6,786.78</b>  | <b>27,172.13</b>   | <b>655.73</b>       | <b>220.13</b> | <b>786.40</b>    | <b>35,621.17</b>   | -                        | <b>428.28</b>           | <b>428.28</b>                 |
| 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           | -                        | -                       | -                             |
| <b>As at 31st March, 2023</b>                  | -                           | <b>8,459.29</b>  | <b>34,295.92</b>   | <b>850.50</b>       | <b>288.96</b> | <b>979.21</b>    | <b>44,873.88</b>   | -                        | <b>435.45</b>           | <b>435.45</b>                 |
| Charge for the year**                          | -                           | 1,710.13         | 8,359.96           | 153.35              | 25.64         | 111.94           | 10,361.02          | -                        | -                       | -                             |
| Disposal                                       | -                           | 121.03           | 76.02              | 152.20              | 122.77        | 45.74            | 517.76             | -                        | 0.62                    | 0.62                          |
| <b>As at 31st March, 2024</b>                  | -                           | <b>10,048.39</b> | <b>42,579.86</b>   | <b>851.65</b>       | <b>191.83</b> | <b>1,045.41</b>  | <b>54,717.14</b>   | -                        | <b>434.83</b>           | <b>434.83</b>                 |
| <b>Net book value</b>                          |                             |                  |                    |                     |               |                  |                    |                          |                         |                               |
| <b>As at 31st March, 2024</b>                  | <b>378.01</b>               | <b>39,380.09</b> | <b>70,895.53</b>   | <b>694.26</b>       | <b>35.94</b>  | <b>261.05</b>    | <b>1,11,644.88</b> | <b>12,236.33</b>         | -                       | -                             |
| <b>As at 31st March, 2023</b>                  | <b>378.01</b>               | <b>40,971.59</b> | <b>75,772.44</b>   | <b>849.88</b>       | <b>180.49</b> | <b>359.29</b>    | <b>1,18,511.70</b> | <b>14,782.00</b>         | -                       | -                             |

\* Buildings include one Flat amounting to ₹ 97.16 lakhs (P.Y. ₹ 97.16 lakhs) where the co-operative society is yet to be formed.

\*\* During the year ended 31st March, 2024, the Company has changed its method of depreciation to straight-line method for all the class of assets which were previously being depreciated on written down value method. This change is made to align the method of depreciation with that of its parent Company, due to which the depreciation for the current year is lower by ₹ 262.46 lakhs.

#### Notes:

1. Building includes cost of shares in co-operative societies of ₹ Nil (P.Y. ₹ 0.56 lakhs)
2. Capital work-in-progress includes ₹ 4,231.49 lakhs (P.Y. ₹ 4,646.37 lakhs) on account of cost of construction.
3. The amount of capital commitment disclosed in note 39(a).
4. Certain property, plant and equipment are hypothecated / mortgaged as security for borrowing as disclosed under note 40.
5. Addition to property, plant and equipment and CWIP includes ₹ 179.30 lakhs (P.Y. ₹ 1,025.07 lakhs) being expenditure on Research and Development as under:

(₹ in Lakhs)

| Assets Description       | 2023-2024     | 2022-2023       |
|--------------------------|---------------|-----------------|
| Buildings                | 23.82         | 0.00            |
| Plant and Machinery      | 128.23        | 288.70          |
| Furniture and Fixtures   | 0.00          | 3.11            |
| Office Equipment         | 0.19          | 0.00            |
| Motor Car                | 0.00          | 0.00            |
| Capital work-in-progress | 27.06         | 733.26          |
| <b>Total</b>             | <b>179.30</b> | <b>1,025.07</b> |

#### 6. Ageing of Capital work-in-progress:

CWIP ageing schedule as at 31st March, 2024

(₹ 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           | 646.21                         | 756.02    | 763.86    | 10,070.24         | <b>12,236.33</b> |
| Projects temporarily suspended | -                              | -         | -         | -                 | -                |

Closing CWIP as at 31st March, 2024, 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, 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          | <b>14,782.00</b> |
| Projects temporarily suspended | -                              | -         | -         | -                 | -                |

Closing CWIP as at 31st March, 2023, 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.

#### 7. Depreciation charged to P&L account:

(₹ in Lakhs)

| Particulars                    | 2023-2024        | 2022-2023        |
|--------------------------------|------------------|------------------|
| Property, Plant and Equipments | 10,361.02        | 10,411.99        |
| Right of use assets            | 184.78           | 185.93           |
| <b>Total</b>                   | <b>10,545.80</b> | <b>10,597.92</b> |

#### 8. Borrowing cost:

- (a) In accordance with Ind AS 23, the borrowing cost of ₹ Nil (P.Y. ₹ 112.48 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 Nil (P.Y. 6.75% to 7.15%).

#### 4 RIGHT OF USE ASSETS

Following are the changes in the carrying value of right of use assets (Leasehold land) :

(₹ in Lakhs)

| Particulars            | 2023-2024       | 2022-2023       |
|------------------------|-----------------|-----------------|
| <b>Opening Balance</b> | <b>5,082.58</b> | <b>5,221.93</b> |
| Additions              | -               | 46.58           |
| Deletions *            | (48.73)         | -               |
| Depreciation           | (184.78)        | (185.93)        |
| <b>Closing Balance</b> | <b>4,849.07</b> | <b>5,082.58</b> |

The Company holds leasehold land against which there is an annual payment over the lease period which is in range of 24-82 years and is non-cancellable. The terms and conditions includes extension of the lease period subject to fulfillment of the conditions as per lease agreements (refer note 48).

\* Net of adjustments on account of modifications

#### 5 NON CURRENT ASSETS HELD FOR SALE

The company had classified its Investment Property as held for sale since FY 21-22. This is valued at the lower of its carrying amount and fair value less cost to sell. The Company is expecting to dispose off this asset 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, 2024, the carrying value of 'asset held for sale' is ₹ 334.78 lakhs (P.Y. ₹ 341.10 lakhs) after being written down by a loss of ₹ 6.32 lakhs (P.Y. ₹ 6.31 lakhs) which has been charged off to statement of profit and loss.

#### 6 INVESTMENTS ( NON-CURRENT )

| Particulars  | No. of Shares          |                        | Face value    | ₹ in lakhs             |                        |
|--|------------------------|------------------------|---------------|------------------------|------------------------|
|  | As at 31st March, 2024 | As at 31st March, 2023 |               | As at 31st March, 2024 | As at 31st March, 2023 |
| <b>(I) At Cost :</b>                                       |                        |                        |               |                        |                        |
| <b>UNQUOTED</b>  |                        |                        |               |                        |                        |
| <b>Equity Instruments of subsidiaries (fully paid)</b>     |                        |                        |               |                        |                        |
| Unichem Farmaceutica Do Brasil Ltda                        | 3,01,33,684            | 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)             |
| <b>Subtotal</b>  |                        |                        |               | -                      | -                      |
| 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)             | (6,909.36)             |
| <b>Subtotal</b>  |                        |                        |               | -                      | -                      |
| 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\$        | 3,538.37               | 3,232.05               |
| 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)             | (2,104.84)             |
| <b>Subtotal</b>  |                        |                        |               | -                      | -                      |
| Unichem (China) Pvt. Ltd.                                  | -                      | -                      | -             | 720.93                 | 637.50                 |
| <b>Subtotal</b>  |                        |                        |               | <b>4,271.44</b>        | <b>3,881.69</b>        |
| <b>Equity Instruments of Associate (fully paid)</b>        |                        |                        |               |                        |                        |
| 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)               |
| <b>Subtotal</b>  |                        |                        |               | -                      | -                      |
| <b>Total of Investments measured at cost</b>               |                        |                        |               | <b>4,271.44</b>        | <b>3,881.69</b>        |
| <b>(II) At fair value through profit and loss (FVTPL)</b>  |                        |                        |               |                        |                        |
| <b>UNQUOTED</b>  |                        |                        |               |                        |                        |
| <b>Equity Instruments (fully paid)</b>                     |                        |                        |               |                        |                        |
| Shivalik Solid Waste Management Limited                    | 22,500*                | 20,000                 | ₹ 10          | 2.00                   | 2.00                   |
| *(includes 2500 bonus shares)                              |                        |                        |               |                        |                        |
| <b>Sub Total</b>   |                        |                        |               | <b>2.00</b>            | <b>2.00</b>            |
| <b>QUOTED</b>  |                        |                        |               |                        |                        |
| <b>Equity Instruments (fully paid)</b>                     |                        |                        |               |                        |                        |
| Jindal Polyfilm Limited                                    | -                      | 2,000                  | ₹ 10          | -                      | 10.02                  |
| Jindal Poly Investment and Finance Company Ltd.            | -                      | 500                    | ₹ 10          | -                      | 2.21                   |
| Aurobindo Pharma Ltd.                                      | -                      | 8                      | ₹ 1           | -                      | 0.04                   |
| Universus Photo Imagings Ltd.                              | -                      | 500                    | ₹ 10          | -                      | 1.82                   |
| Kothari Industrial Corporation Ltd.                        | 20                     | 20                     | ₹ 5           | -                      | 0.00                   |
| <b>Sub Total</b>   |                        |                        |               | -                      | <b>14.09</b>           |
| <b>Total of Investments measured at FVTPL</b>              |                        |                        |               | <b>2.00</b>            | <b>16.09</b>           |
| <b>Total</b>   |                        |                        |               | <b>4,273.44</b>        | <b>3,897.78</b>        |
| Aggregate carrying value of unquoted investments           |                        |                        |               | 4,273.44               | 3,883.69               |
| Aggregate amount of impairment in value of investments     |                        |                        |               | (16,670.23)            | (16,670.23)            |
| Aggregate carrying value of quoted investments             |                        |                        |               | -                      | 14.09                  |
| Aggregate market value of quoted investments               |                        |                        |               | -                      | 14.09                  |

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).

#### 7 LOANS (NON-CURRENT)

(₹ in Lakhs)

| Particulars                       | As at 31st March, 2024 | As at 31st March, 2023 |
|-----------------------------------|------------------------|------------------------|
| <b>Unsecured, considered good</b> |                        |                        |
| Loans to Employees                | 12.96                  | 12.76                  |
| <b>Total</b>                      | <b>12.96</b>           | <b>12.76</b>           |

## 8 OTHER FINANCIAL ASSETS ( NON-CURRENT )

(₹ in Lakhs)

| Particulars  | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Inter-Corporate Deposits (refer note 8.1)<br>[Net of provision for Impairment loss of ₹ 1000 lakhs, (P.Y. ₹ 1000 lakhs)] | -                      | -                      |
| Deposits   |                        |                        |
| Considered Good  | 589.24                 | 631.57                 |
| Considered Doubtful  | 53.53                  | 53.53                  |
| Less :Allowance for Doubtful deposits  | (53.53)                | (53.53)                |
|  | 589.24                 | 631.57                 |
| <b>Total</b>   | <b>589.24</b>          | <b>631.57</b>          |

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% of the principal amount and interest accrued thereon. Refer note 34 & 15.

## 9 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

| Particulars   | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| Capital advances<br>[Net of provision for Doubtful advances, ₹ 35.86 lakhs, (P.Y. ₹ 42.18 lakhs)] | 706.60                 | 668.78                 |
| Balance with government authorities (including refund receivable)                                 | 10,462.20              | 14,777.52              |
| Advance income tax (net of provision)   | 646.86                 | 631.71                 |
| <b>Total</b>  | <b>11,815.66</b>       | <b>16,078.01</b>       |

## 10 INVENTORIES

(₹ in Lakhs)

| Particulars  | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Raw Materials<br>[Include ₹ 786.53 lakhs in transit, (P.Y. ₹ 2346.06 lakhs)]   | 25,852.34              | 27,253.84              |
| Packing Materials<br>[Include ₹ 18.06 lakhs in transit, (P.Y. ₹ 165.64 lakhs)] | 3,289.05               | 2,679.00               |
| Work-in-Progress   | 10,272.83              | 8,138.07               |
| Finished Goods<br>[Include ₹ 142.20 lakhs in transit, (P.Y. ₹ 245.78 lakhs)]   | 9,062.48               | 8,561.21               |
| Stores and Spares  | 1,576.06               | 1,386.81               |
| <b>Total</b>   | <b>50,052.76</b>       | <b>48,018.93</b>       |

10.1 During the year ended 31st March, 2024, ₹ 370.45 lakhs (P.Y. ₹ 911.71 lakhs) was recognised as an expense for inventories carried at net realisable value.

10.2 Refer note 2.15 for accounting policy for inventory valuation.

## 11 INVESTMENTS ( CURRENT )

(₹ in Lakhs)

| Particulars  | No. of Units              |                           | Amount                    |                           |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
|  | As at<br>31st March, 2024 | As at<br>31st March, 2023 | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>At fair value through profit and loss (FVTPL)</b>   |                           |                           |                           |                           |
| <b>QUOTED</b>  |                           |                           |                           |                           |
| <b>INVESTMENT IN MUTUAL FUNDS</b>                      |                           |                           |                           |                           |
| SBI Liquid Fund Direct Growth *                        | 3,542                     | 3,542                     | 133.86                    | 124.79                    |
| <b>Subtotal</b>  |                           |                           | <b>133.86</b>             | <b>124.79</b>             |
| <b>UNQUOTED</b>  |                           |                           |                           |                           |
| <b>Equity Instruments (fully paid)</b>                 |                           |                           |                           |                           |
| Optimus Drugs Private Limited (refer note 11.2)        | -                         | 4,918                     | -                         | 28.77                     |
| <b>Subtotal</b>  |                           |                           | <b>-</b>                  | <b>28.77</b>              |
| <b>Total of Investments measured at FVTPL</b>          |                           |                           | <b>133.86</b>             | <b>153.56</b>             |
| <b>Total</b>   |                           |                           | <b>133.86</b>             | <b>153.56</b>             |
| Aggregate carrying value of unquoted investments       |                           |                           | -                         | 28.77                     |
| Aggregate amount of impairment in value of investments |                           |                           | -                         | -                         |
| Aggregate carrying value of quoted investments         |                           |                           | 133.86                    | 124.79                    |
| Aggregate market value of quoted investments           |                           |                           | 133.86                    | 124.79                    |

\* 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 ₹ 1,084.58 lakhs (P.Y. Nil) out of which ₹ (502.24) lakhs (P.Y. Nil) is grouped under exceptional item (refer note 35.2) and balance amount of ₹ 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 ₹ 28.77 lakhs as at 31st March, 2023 were classified as Fair Value through Profit and Loss. This is based on the fair valuation report obtained during the year ended 31st March, 2023. During the year ended 31st March, 2024, as per the SPA, the Company has sold off such balance equity shares and the resultant net gain is ₹ 6,478.91 lakhs is disclosed as Exceptional Item.

## 12 TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars                        | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|------------------------------------|---------------------------|---------------------------|
| Considered good - Secured          | -                         | -                         |
| Unsecured                          |                           |                           |
| Considered good                    | 55,841.79                 | 47,207.61                 |
| Considered Doubtful                | 342.98                    | 295.19                    |
| Less: Allowance for Doubtful debts | (342.98)                  | (295.19)                  |
| <b>Total</b>                       | <b>55,841.79</b>          | <b>47,207.61</b>          |

12.1 Unsecured trade receivables includes ₹ 42,972.45 lakhs (P.Y. ₹ 37,343.94 lakhs) receivable from subsidiaries.

12.2 The movement in allowance for doubtful receivables is as follows:

(₹ in Lakhs)

| Particulars  | 2023-2024     | 2022-2023     |
|--|---------------|---------------|
| Opening balance  | 295.19        | 319.83        |
| Add: Allowance for doubtful receivables made during the year                 | 47.79         | -             |
| Less: Allowance for doubtful receivables reversed / utilised during the year | -             | (24.64)       |
| <b>Closing balance</b>   | <b>342.98</b> | <b>295.19</b> |

12.3 Trade receivables ageing schedule - Current :

**As at 31st March, 2024**

(₹ 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                  | 46,993.44  | 8,035.93           | 825.13             | 147.93        | 6.80         | 45.90             | 56,055.13        |
| (ii) Undisputed Trade receivables  |  |                    |                    |               |              |                   |                  |
| - considered doubtful              | -  | -                  | -                  | -             | 42.61        | 21.05             | 63.66            |
| (iii) Disputed Trade receivables   |  |                    |                    |               |              |                   |                  |
| - considered good                  | -  | -                  | -                  | -             | -            | -                 | -                |
| (iv) Disputed Trade receivables    |  |                    |                    |               |              |                   |                  |
| - considered doubtful              | -  | -                  | -                  | -             | -            | 65.98             | 65.98            |
| <b>Sub total</b>                   | <b>46,993.44</b>   | <b>8,035.93</b>    | <b>825.13</b>      | <b>147.93</b> | <b>49.41</b> | <b>132.93</b>     | <b>56,184.77</b> |
| Less: Allowance for Doubtful debts |  |                    |                    |               |              |                   | (342.98)         |
| <b>Total</b>                       |  |                    |                    |               |              |                   | <b>55,841.79</b> |

**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            |
| <b>Sub total</b>                   | <b>37,524.45</b>   | <b>7,058.51</b>    | <b>2,144.65</b>    | <b>636.09</b> | <b>50.50</b> | <b>88.60</b>      | <b>47,502.80</b> |
| Less: Allowance for Doubtful debts |  |                    |                    |               |              |                   | (295.19)         |
| <b>Total</b>                       |  |                    |                    |               |              |                   | <b>47,207.61</b> |

### 13 CASH AND BANK BALANCES

(₹ in Lakhs)

| Particulars   | No. of Units              |                           | Amount                    |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
|   | As at<br>31st March, 2024 | As at<br>31st March, 2023 | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>(a) Cash &amp; cash equivalents</b>  |                           |                           |                           |                           |
| (i) Balances with banks<br>In Current Accounts  |                           |                           | 83.99                     | 693.26                    |
| (ii) Cash on hand   |                           |                           | 4.38                      | 5.01                      |
| (iii) Investments in Mutual Fund (At FVTPL)   |                           |                           |                           |                           |
| <b>Quoted</b>   |                           |                           |                           |                           |
| Aditya Birla Liquid - Direct Plan - Growth  | -                         | 3,61,269.24               | -                         | 1,311.71                  |
| Aditya Birla Liquid - Regular Plan - Growth   | 3,55,243.66               | -                         | 1,370.04                  | -                         |
| HDFC Liquid fund - Direct Plan - Growth Option  | -                         | 98,377.14                 | -                         | 4,351.42                  |
| ICICI Prudential Liquid Fund - Growth   | -                         | 23,45,379.39              | -                         | 7,755.10                  |
| Kotak Liquid Fund - Regular Plan - Growth   | 85,307.36                 | -                         | 4,128.75                  | -                         |
| Kotak Money Market Scheme - Dir - Growth  | 1,02,736.85               | -                         | 4,235.34                  | -                         |
| Nippon India Liquid Fund - Reg - Growth   | 26,130.30                 | -                         | 1,526.89                  | -                         |
| Nippon India Money Market Fund - Dir - Growth   | 31,809.89                 | -                         | 1,215.56                  | -                         |
| SBI Liquid Fund Direct Growth   | -                         | 41,164.24                 | -                         | 1,450.34                  |
|   |                           |                           | <b>12,564.95</b>          | <b>15,566.84</b>          |
| <b>(b) Other bank balances (Restricted bank balances)</b>                                 |                           |                           |                           |                           |
| In Unpaid Dividend Account  |                           |                           | 128.55                    | 149.90                    |
| In Fixed Deposits (against Bank Guarantee) having<br>Original maturity more than 3 months |                           |                           | 212.47                    | 11.19                     |
|   |                           |                           | <b>341.02</b>             | <b>161.09</b>             |
| <b>Total</b>  |                           |                           | <b>12,905.97</b>          | <b>15,727.93</b>          |
| Aggregate carrying value of quoted investments  |                           |                           | 12,476.58                 | 14,868.57                 |
| Aggregate market value of quoted investments  |                           |                           | 12,476.58                 | 14,868.57                 |

### 14 LOAN ( CURRENT )

(₹ in Lakhs)

| Particulars                       | As at 31st March, 2024 | As at 31st March, 2023 |
|-----------------------------------|------------------------|------------------------|
| <b>Unsecured, considered good</b> |                        |                        |
| Loans to Employees                | 3.73                   | 5.62                   |
| <b>Total</b>                      | <b>3.73</b>            | <b>5.62</b>            |

### 15 OTHER FINANCIAL ASSETS ( CURRENT )

(₹ in Lakhs)

| Particulars   | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| Insurance claim receivables   | -                      | 89.01                  |
| Accrued Interest on fixed deposits<br>[Net of provision for Impairment loss, ₹ 139.08 lakhs, (P.Y. ₹ 139.08 lakhs)] | 23.09                  | 12.42                  |
| Others (Forward contract receivable)  | -                      | 69.26                  |
| <b>Total</b>  | <b>23.09</b>           | <b>170.69</b>          |

### 16 OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars  | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| <b>Unsecured, considered good</b>                                |                        |                        |
| Prepaid Expenses   | 1,526.15               | 1,804.99               |
| Balances with Revenue Authorities (including refund receivables) |                        |                        |
| Considered good  | 18,073.47              | 15,036.49              |
| Considered Doubtful  | 6.31                   | 26.01                  |
| Less: Allowance for Doubtful Advances                            | (6.31)                 | (26.01)                |
| Advance against materials & expenses                             | 706.92                 | 288.52                 |
| Export incentive receivable                                      | 843.73                 | 617.44                 |
| Other receivables / advances                                     |                        |                        |
| Considered good  | 502.00                 | 244.63                 |
| Considered Doubtful  | 151.42                 | 149.03                 |
| Less: Allowance for Doubtful Advances                            | (151.42)               | (149.03)               |
| <b>Total</b>   | <b>21,652.27</b>       | <b>17,992.07</b>       |

16.1 The movement in allowance for doubtful advances (including allowance made against non-current items) is given below: (₹ in Lakhs)

| Particulars  | 2023-2024       | 2022-2023       |
|--|-----------------|-----------------|
| Opening balance (refer note 8, 9, 15 and 16)                     | 1,383.82        | 991.74          |
| Add/(Less): Allowance for doubtful advances made during the year | (3.93)          | 392.08          |
| Less: Reversal / utilisation during the year                     | -               | -               |
| <b>Closing balance</b>   | <b>1,379.89</b> | <b>1,383.82</b> |

## 17 EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2024 | 31st March, 2023 |
| <b>AUTHORISED</b>  |                  |                  |
| 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           |
| <b>Total</b>   | <b>5,000.00</b>  | <b>5,000.00</b>  |

(₹ in Lakhs)

| Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2024 | 31st March, 2023 |
| <b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>   |                  |                  |
| 7,04,05,750 Equity Shares of ₹ 2/- each fully paid up<br>(P.Y. 7,04,05,750 Equity Shares of ₹ 2/- each fully paid up) | 1,408.12         | 1,408.12         |
| <b>Total</b>  | <b>1,408.12</b>  | <b>1,408.12</b>  |

| 17.1 Reconciliation of Number of Shares (Equity)                         | 2023-2024          |                        | 2022-2023          |                        |
|--|--------------------|------------------------|--------------------|------------------------|
|  | No. of Shares      | Amount<br>(₹ in lakhs) | No. of Shares      | Amount<br>(₹ 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 | -                  | -                      | -                  | -                      |
| <b>Restated balance at the beginning of the current reporting period</b> | <b>7,04,05,750</b> | <b>1,408.12</b>        | <b>7,04,05,750</b> | <b>1,408.12</b>        |
| Add / (Less): Movements during the year                                  | -                  | -                      | -                  | -                      |
| <b>Shares outstanding as at the end of the year</b>                      | <b>7,04,05,750</b> | <b>1,408.12</b>        | <b>7,04,05,750</b> | <b>1,408.12</b>        |

### 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 if 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, 2024 |        | As at 31st March, 2023 |        |
|---------------------------|------------------------|--------|------------------------|--------|
|                           | No. of Shares          | % held | No. of Shares          | % held |
| IPCA Laboratories Limited | 3,70,81,011            | 52.67% | -                      | -      |
| Dr. Prakash Amrut Mody    | 89,97,952              | 12.78% | 3,24,99,392            | 46.16% |
| HDFC Small Cap Fund       | 54,73,134              | 7.77%  | 47,12,911              | 6.69%  |

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 as on | % of total shares as on | No. of Shares as on | % of total shares as on |
|-------|---|---------------------|-------------------------|---------------------|-------------------------|
|       |   | 31st March, 2024    | 31st March, 2024        | 31st March, 2023    | 31st March, 2023        |
| 1.    | IPCA Laboratories Limited                                       | 3,70,81,011         | 52.67%                  | -                   | -                       |
| 2.    | Prakash Amrut Mody  | 89,97,952           | 12.78%                  | 3,24,99,392         | 46.16%                  |
| 3.    | Anita Prakash Mody  | 13,23,400           | 1.88%                   | 13,23,400           | 1.88%                   |
| 4.    | Suparna Prakash Mody  | 9,49,936            | 1.35%                   | 9,49,936            | 1.35%                   |
| 5.    | Supriya Prakash Mody  | 9,49,936            | 1.35%                   | 9,49,936            | 1.35%                   |
| 6.    | Prakash Amrut Mody -<br>Suparna Mody Trust (Promoter Trust)     | 52,016              | 0.07%                   | 52,016              | 0.07%                   |
| 7.    | Prakash Amrut Mody -<br>Supriya Mody Trust (Promoter Trust)     | 45,052              | 0.06%                   | 45,052              | 0.06%                   |
| 8.    | Prakash Amrut Mody -<br>Shwetambari Mody Trust (Promoter Trust) | 41,283              | 0.06%                   | 41,283              | 0.06%                   |
|       | <b>Total</b>  | <b>4,94,40,586</b>  | <b>70.22%</b>           | <b>3,58,61,015</b>  | <b>50.93%</b>           |

## 18 OTHER EQUITY

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| <b>CAPITAL REDEMPTION RESERVE</b>                                  |                           |                           |
| Balance at the beginning of the year                               | 412.00                    | 412.00                    |
| Add: Additions / (deductions ) during the year                     | -                         | -                         |
| <b>Balance at the end of the year</b>                              | <b>412.00</b>             | <b>412.00</b>             |
| <b>SECURITIES PREMIUM</b>  |                           |                           |
| Balance at the beginning of the year                               | 133.02                    | 133.02                    |
| Add: Additions / (deductions ) during the year                     | -                         | -                         |
| <b>Balance at the end of the year</b>                              | <b>133.02</b>             | <b>133.02</b>             |
| <b>EMPLOYEE STOCK OPTIONS OUTSTANDING ACCOUNT</b>                  |                           |                           |
| Balance at the beginning of the year                               | 1,204.53                  | 1,204.53                  |
| Add: Additions during the year                                     | -                         | -                         |
| Less: Transferred to Retained Earnings (refer note 18.1)           | (1,204.53)                | -                         |
|  | -                         | 1,204.53                  |
| Less: Deferred Employees' stock compensation (refer note 50)       | 306.32                    | -                         |
| <b>Balance at the end of the year</b>                              | <b>306.32</b>             | <b>1,204.53</b>           |
| <b>OTHER COMPREHENSIVE INCOME</b>                                  |                           |                           |
| <b>Remeasurements of defined benefit plans</b>                     |                           |                           |
| Balance at the beginning of the year                               | (662.09)                  | (886.72)                  |
| Add / (Less): Movements during the year                            | (27.38)                   | 224.63                    |
| <b>Balance at the end of the year</b>                              | <b>(689.47)</b>           | <b>(662.09)</b>           |
| <b>EQUITY INSTRUMENT THROUGH OCI</b>                               |                           |                           |
| Balance at the beginning of the year                               | -                         | 8,533.38                  |
| Add / (Less): Movements during the year                            | -                         | 3,648.04                  |
| Less: Transferred to Retained Earnings (refer note 18.2)           | -                         | (12,181.42)               |
| <b>Balance at the end of the year</b>                              | <b>-</b>                  | <b>-</b>                  |
| <b>GAIN/ (LOSS) ON CASH FLOW HEDGE</b>                             |                           |                           |
| Balance at the beginning of the year                               | -                         | -                         |
| Add / (Less): Movements during the year                            | (25.37)                   | -                         |
| <b>Balance at the end of the year</b>                              | <b>(25.37)</b>            | <b>-</b>                  |
| <b>RETAINED EARNINGS</b>   |                           |                           |
| Balance at the beginning of the year                               | 2,35,931.48               | 2,56,536.48               |
| Add: Profit / (Loss) for the year                                  | (9,218.03)                | (29,970.19)               |
| Add: Transferred from Other Comprehensive Income (refer note 18.2) | -                         | 12,181.42                 |
| Add: Transfer from shares options outstanding Account              | 1,204.53                  | -                         |
| Less: Final Dividend paid  | -                         | 2,816.23                  |
| <b>Balance at the end of the year</b>                              | <b>2,27,917.98</b>        | <b>2,35,931.48</b>        |
| <b>Total Reserves &amp; Surplus</b>                                | <b>2,28,054.48</b>        | <b>2,37,018.94</b>        |

18.1 During the year ended 31st March, 2024, outstanding ESOPs have been surrendered by the employees to the Company. Accordingly, balance in ESOP reserve has been transferred to retained earnings.

18.2 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".

## 19 BORROWINGS - NON CURRENT

(₹ in Lakhs)

| Particulars         | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---------------------|---------------------------|---------------------------|
| <b>SECURED</b>      |                           |                           |
| Term loan from Bank | 3,822.21                  | 6,364.90                  |
| <b>Total</b>        | <b>3,822.21</b>           | <b>6,364.90</b>           |

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 During the year ended 31st March, 2024, the company has entered into a hedge transaction of interest rate currency swap by notionally converting the term loan from INR into USD. The effective portion of changes in fair value is recognised in other comprehensive income of ₹ 25.37 lakhs (P.Y. Nil). Also refer note 45.

## 20 LEASE LIABILITIES

(₹ in Lakhs)

| Particulars                   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-------------------------------|---------------------------|---------------------------|
| Current lease liabilities     | 17.43                     | 2.00                      |
| Non-current lease liabilities | 623.89                    | 655.66                    |
| <b>Total</b>                  | <b>641.32</b>             | <b>657.66</b>             |

Refer note 48

## 21 PROVISIONS (NON-CURRENT)

(₹ in Lakhs)

| Particulars                                     | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2024 | 31st March, 2023 |
| Provision for employee benefits (refer note 46) |                  |                  |
| Defined benefit plan-Gratuity                   | 862.26           | 1,350.65         |
| Leave benefits                                  | 2,717.97         | 2,786.20         |
| Long-term bonus                                 | -                | 53.84            |
| <b>Total</b>                                    | <b>3,580.23</b>  | <b>4,190.69</b>  |

## 22 DEFERRED TAX LIABILITIES ( NET )

(₹ in Lakhs)

| Particulars                  | As at            | As at            |
|------------------------------|------------------|------------------|
|                              | 31st March, 2024 | 31st March, 2023 |
| Deferred Tax Liability (Net) | -                | -                |
| <b>Total</b>                 | <b>-</b>         | <b>-</b>         |

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 ₹ 34,152.18 lakhs (P.Y. ₹ 27,552.99 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                                       | 2023-2024  | 2022-2023       |
|---|------------|-----------------|
| <b>Current tax:</b>                               |            |                 |
| Current tax on profits for the year               | -          | -               |
| Adjustments for current tax of prior periods      | -          | -               |
| Total Current tax expense                         | -          | -               |
| <b>Deferred Tax:</b>                              |            |                 |
| Decrease / (increase) in Deferred Tax Assets      | (1,685.22) | 1,753.66        |
| (Decrease) / Increase in Deferred Tax Liabilities | 1,685.22   | 307.57          |
| Total Deferred tax expense / (credit)             | -          | 2,061.23        |
| <b>Aggregate income tax expense</b>               | <b>-</b>   | <b>2,061.23</b> |

### 22.3 Income tax expense recognised in other comprehensive income and other equity:

(₹ in Lakhs)

| Particulars  | 2023-2024 | 2022-2023         |
|--|-----------|-------------------|
| Deferred tax liability on fair value gain on equity instruments (net)              | -         | (2,061.22)        |
| Deferred tax asset on net loss / (gain) on Remeasurements of Defined Benefit Plans | -         | -                 |
| <b>Income Tax Expense / (Income) Charged to OCI</b>                                | <b>-</b>  | <b>(2,061.22)</b> |

### 22.4 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

(₹ in Lakhs)

| Particulars  | 2023-2024         | 2022-2023          |
|--|-------------------|--------------------|
| Profit / (loss) before income taxes  | (9,218.03)        | (27,908.97)        |
| <b>Profit / (loss) before income taxes</b>   | <b>(9,218.03)</b> | <b>(27,908.97)</b> |
| At India's Statutory Income Tax Rate of 25.168% (P.Y. 25.168%)                             | (2,319.99)        | (7,024.13)         |
| <b>Adjustments to reconcile expected income tax expense to reported income tax expense</b> |                   |                    |
| Effect of expenses not deductible in determining taxable profit                            | 3,161.67          | (71.71)            |
| Deferred tax asset recognised on remaining amount of b/f tax loss                          | (841.68)          | -                  |
| Deferred tax asset not recognised on remaining amount of losses                            | -                 | 9,157.06           |
| <b>Adjusted income tax expense / (credit)</b>  | <b>-</b>          | <b>2,061.22</b>    |
| Tax charge / (credit) impact given in Other Comprehensive Income                           | -                 | (2,061.22)         |
| <b>Total Tax</b>   | <b>-</b>          | <b>-</b>           |
| <b>Effective Income Tax Rate</b>   | <b>0.00%</b>      | <b>0.00%</b>       |



## 22.5 Reflected in the Balance Sheet as follows:

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| <b>Deferred Tax Liabilities</b>                               |                           |                           |
| Depreciation and amortisation                                 | 8,808.23                  | 7,017.57                  |
| Fair value gain on mutual funds (net)                         | 21.89                     | 127.33                    |
|   | <b>8,830.12</b>           | <b>7,144.90</b>           |
| <b>Deferred Tax Assets</b>                                    |                           |                           |
| Allowance for doubtful trade receivables                      | 86.33                     | 74.29                     |
| Allowance for doubtful advances                               | 39.70                     | 37.51                     |
| Allowance for impairment in value of investments              | 1,474.04                  | 1,474.04                  |
| Allowance for impairment in value of other financial assets   | 251.68                    | 251.68                    |
| Provision for employee benefits                               | 1,127.34                  | 1,283.08                  |
| Allowance for impairment in value of investments in Associate | 118.42                    | 118.42                    |
| Business loss / unabsorbed depreciation                       | 5,646.05                  | 3,803.85                  |
| Others  | 86.56                     | 102.03                    |
|   | <b>8,830.12</b>           | <b>7,144.90</b>           |
| <b>Deferred Tax Liabilities (net)</b>                         | -                         | -                         |

## 22.6 Movement of deferred tax during the year 2023-2024:

(₹ in Lakhs)

| Particulars   | Opening<br>balance<br>1st April, 2023 | (Credit) / charge<br>recognised in<br>statement of<br>profit and loss | Recognised<br>in other<br>comprehensive<br>income | Closing<br>balance<br>31st March, 2024 |
|---|---------------------------------------|---|---|--|
| <b>Deferred tax liabilities in relation to</b>                |                                       |   |   |  |
| Depreciation and amortisation                                 | 7,017.57                              | 1,790.66  | -   | 8,808.23                               |
| Fair value gain on equity instruments (net)                   | 127.33                                | (105.44)  | -   | 21.89                                  |
| <b>Deferred tax assets in relation to</b>                     |                                       |   |   |  |
| Allowance for doubtful trade receivables                      | (74.29)                               | (12.04)   | -   | (86.33)                                |
| Allowance for doubtful advances                               | (37.51)                               | (2.19)  | -   | (39.70)                                |
| Allowance for impairment in value of investments              | (1,474.04)                            | -   | -   | (1,474.04)                             |
| Allowance for impairment in value of other financial assets   | (251.68)                              | -   | -   | (251.68)                               |
| Provision for employee benefits                               | (1,283.08)                            | 155.74  | -   | (1,127.34)                             |
| Allowance for impairment in value of investments in Associate | (118.42)                              | -   | -   | (118.42)                               |
| Business loss / unabsorbed depreciation                       | (3,803.85)                            | (1,842.20)  | -   | (5,646.05)                             |
| Others  | (102.03)                              | 15.47   | -   | (86.56)                                |
| <b>Deferred Tax Liabilities (net)</b>                         | -                                     | -   | -   | -                                      |

## Movement of deferred tax during the year 2022-2023:

(₹ in Lakhs)

| Particulars   | Opening<br>balance<br>1st April, 2022 | (Credit) / charge<br>recognised in<br>statement of<br>profit and loss | Recognised<br>in other<br>comprehensive<br>income | Closing<br>balance<br>31st March, 2023 |
|---|---------------------------------------|---|---|--|
| <b>Deferred tax liabilities in relation to</b>                |                                       |   |   |  |
| 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)  | -                                      |
| <b>Deferred tax assets in relation to</b>                     |                                       |   |   |  |
| 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)                               |
| <b>Deferred Tax Liabilities (net)</b>                         | -                                     | <b>2,061.22</b>   | <b>(2,061.22)</b>                                 | -                                      |

## 23 OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars                | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|----------------------------|---------------------------|---------------------------|
| <b>Unsecured</b>           |                           |                           |
| Others (Customer Advances) | 86.96                     | 109.50                    |
| <b>Total</b>               | <b>86.96</b>              | <b>109.50</b>             |

**24 BORROWINGS ( CURRENT )**

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| <b>Secured<br/>From Banks</b>   |                           |                           |
| Packing credit (refer note 40)  | -                         | 1,236.30                  |
| Loan from Bank (current maturity of long-term borrowings) (refer note 19) | 2,566.32                  | 2,566.32                  |
| <b>Total</b>  | <b>2,566.32</b>           | <b>3,802.62</b>           |

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.

**25 TRADE PAYABLES**

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| <b>Trade Payables</b>  |                           |                           |
| Total outstanding dues of micro enterprises and small enterprises (refer note 25.1)    | 349.13                    | 551.31                    |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 24,599.92                 | 23,895.97                 |
| <b>Total</b>   | <b>24,949.05</b>          | <b>24,447.28</b>          |

25.1

(₹ in Lakhs)

| Particulars  | 2023-2024     | 2022-2023     |
|--|---------------|---------------|
| Principal amount remaining unpaid to any suppliers as at 31st March  | 296.00        | 503.94        |
| Interest due thereon remaining unpaid to any suppliers as at 31st March  | 53.13         | 47.37         |
|  | <b>349.13</b> | <b>551.31</b> |
| 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  | 978.86        | 759.89        |
| The amount of interest due and payable for the period of delay in making payments  | 5.76          | 4.90          |
| The amount of interest accrued and remaining unpaid as at 31st March   | 53.13         | 47.37         |
| 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, 2024**

(₹ 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                    | 53.13  | 274.67           | 21.33            | -            | -            | -                 | 349.13           |
| (ii) Others                 | 1,880.85   | 16,641.85        | 6,018.95         | 33.56        | 11.08        | 13.63             | 24,599.92        |
| (iii) Disputed dues - MSME  | -  | -                | -                | -            | -            | -                 | -                |
| (iv) Disputed dues - Others | -  | -                | -                | -            | -            | -                 | -                |
| <b>Total</b>                | <b>1,933.98</b>  | <b>16,916.52</b> | <b>6,040.28</b>  | <b>33.56</b> | <b>11.08</b> | <b>13.63</b>      | <b>24,949.05</b> |

**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            | -            | -            | -                 | 551.31           |
| (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 | -  | -                | -                | -            | -            | -                 | -                |
| <b>Total</b>                | <b>2,073.35</b>  | <b>19,166.90</b> | <b>3,129.85</b>  | <b>33.38</b> | <b>23.14</b> | <b>20.66</b>      | <b>24,447.28</b> |

**26 OTHER FINANCIAL LIABILITY ( CURRENT )**

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| Unclaimed Dividend                                      | 128.55                    | 149.90                    |
| Deposits from Customers                                 | 21.64                     | 21.64                     |
| Payable for employee benefits                           | 1,741.91                  | 3,386.99                  |
| Payable for Capital Goods                               | 375.82                    | 989.92                    |
| Amount payable on hedging transaction (Refer note 19.2) | 25.37                     | -                         |
| Others (Forward contract payable)                       | 107.42                    | -                         |
| <b>Total</b>  | <b>2,400.71</b>           | <b>4,548.45</b>           |

**27 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

| Particulars                                   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| <b>Other Payables</b>                         |                           |                           |
| Statutory Dues (refer note 27.2)              | 4,334.18                  | 2,310.03                  |
| Revenue received in advance (refer note 27.1) | 769.32                    | 2,452.70                  |
| Others (customer advances, etc.)              | 171.69                    | 102.27                    |
| <b>Total</b>                                  | <b>5,275.19</b>           | <b>4,865.00</b>           |

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 ₹ 2.91 lakhs (P.Y. ₹ 10.87 lakhs) which will be paid off on linking of aadhar number of certain employees with the provident fund portal.

**28 PROVISIONS ( CURRENT )**

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| <b>Provision for employee benefits (refer note 46)</b> |                           |                           |
| Defined benefit plan                                   | 468.16                    | 443.02                    |
| Leave benefits   | 430.53                    | 518.21                    |
| Long-term bonus  | 75.00                     | 190.22                    |
| <b>Others Provisions</b>                               |                           |                           |
| Claims (refer note 28.1)                               | 49.30                     | 49.30                     |
| Provision for European commission fine (refer note 38) | 12,562.25                 | -                         |
| <b>Total</b>   | <b>13,585.24</b>          | <b>1,200.75</b>           |

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            | 2023-2024    | 2022-2023    |
|------------------------|--------------|--------------|
| <b>Opening Balance</b> | <b>49.30</b> | <b>55.31</b> |
| Add: provisions made   | -            | -            |
| Less: utilisations     | -            | 6.01         |
| <b>Closing balance</b> | <b>49.30</b> | <b>49.30</b> |

**29 REVENUE FROM OPERATIONS**

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Sale of products  | 1,39,261.85                            | 1,03,050.91                            |
| <u>Other operating revenues</u>   |  |  |
| Export benefits   | 3,776.94                               | 1,757.39                               |
| Other operating revenues (Raw material / solvent / scrap sale / R&D revenue / etc.) (refer note 29.2) | 1,177.99                               | 2,434.92                               |
|   | 4,954.93                               | 4,192.31                               |
| <b>Total Revenue from Operations</b>  | <b>1,44,216.78</b>                     | <b>1,07,243.22</b>                     |

29.1 Disclosure for disaggregation of revenue :

(₹ in Lakhs)

| Particulars              | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|--------------------------|--|--|
| Formulations             | 1,25,036.78                            | 88,231.36                              |
| Bulk Drugs and chemicals | 14,225.07                              | 14,819.55                              |
| <b>Total</b>             | <b>1,39,261.85</b>                     | <b>1,03,050.91</b>                     |

**30 OTHER INCOME**

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Interest income (refer note 30.1)   | 43.87                                  | 23.99                                  |
| Dividend income on investments measured at Fair Value through Profit and Loss         | 0.43                                   | 0.59                                   |
| Net gain on investments measured at Fair Value through Profit and Loss                | 646.38                                 | 904.94                                 |
| Profit on sale of property, plant and equipment (net)                                 | 167.03                                 | 128.26                                 |
| Other non-operating income [guarantee commission, notice pay, lease rent, etc. (net)] | 58.30                                  | 54.66                                  |
| Net gain / (loss) on foreign currency translation and transactions                    | 2,122.59                               | 3,072.31                               |
| <b>Total</b>  | <b>3,038.60</b>                        | <b>4,184.75</b>                        |

## 30.1 Details of interest income

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Interest Income on financial assets measured at amortised cost/others | 43.87                                  | 23.99                                  |

## 31 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

| Particulars       | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|-------------------|--|--|
| Raw Materials     | 61,792.24                              | 43,186.01                              |
| Packing Materials | 9,899.87                               | 6,847.49                               |
| <b>Total</b>      | <b>71,692.11</b>                       | <b>50,033.50</b>                       |

## CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN- PROGRESS

(₹ in Lakhs)

| Particulars                               | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| <b>Inventories at the Commencement</b>    |  |  |
| Finished Goods                            | 8,561.21                               | 8,685.66                               |
| Work-in-progress                          | 8,138.07                               | 10,214.94                              |
|   | <b>16,699.28</b>                       | <b>18,900.60</b>                       |
| <b>Inventories at year end</b>            |  |  |
| Finished Goods                            | 9,062.48                               | 8,561.21                               |
| Work-in-progress                          | 10,272.83                              | 8,138.07                               |
|   | <b>19,335.31</b>                       | <b>16,699.28</b>                       |
| (Increase) / Decrease in finished goods   | (501.27)                               | 124.45                                 |
| (Increase) / Decrease in work-in-progress | (2,134.76)                             | 2,076.87                               |
| <b>Total change in inventory</b>          | <b>(2,636.03)</b>                      | <b>2,201.32</b>                        |

## 32 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

| Particulars                               | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Salaries and wages                        | 25,485.04                              | 24,238.18                              |
| Contribution to Provident and other funds | 2,002.23                               | 1,945.84                               |
| Share-based payments to employees         | -                                      | 104.93                                 |
| Staff welfare expenses                    | 827.22                                 | 797.52                                 |
| <b>Total</b>                              | <b>28,314.49</b>                       | <b>27,086.47</b>                       |

## 32.1 Aggregate employee benefits expense

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Employee benefits expense as per note 32  | 28,314.49                              | 27,086.47                              |
| Employee benefits expense (one-time discretionary loyalty bonus) as per note 35.2 | -                                      | 1,750.00                               |
| <b>Total</b>  | <b>28,314.49</b>                       | <b>28,836.47</b>                       |

## 33 FINANCE COST

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Interest cost on financial liabilities measured at amortised cost | 804.82                                 | 762.45                                 |
| Interest on lease   | 53.57                                  | 53.84                                  |
| Interest others   | 132.97                                 | 15.69                                  |
| Other borrowing costs (bank charges / fees, etc.)                 | 50.65                                  | 106.04                                 |
| <b>Total</b>  | <b>1,042.01</b>                        | <b>938.02</b>                          |

## 34 IMPAIRMENT LOSS ON FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|--|--|--|
| Impairment of other financial assets                           | -                                      | 341.72                                 |
| Inter-corporate deposits and interest thereon (refer note 8.1) | -                                      | -                                      |
| <b>Total</b>   | <b>-</b>                               | <b>341.72</b>                          |

### 35 OTHER EXPENSES

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|--|--|--|
| Consumption of Stores and Spares                                     | 2,028.70                               | 1,829.95                               |
| Power and Fuel   | 10,563.76                              | 10,141.30                              |
| Rent   | 27.15                                  | 39.22                                  |
| Insurance  | 670.58                                 | 706.35                                 |
| Repairs:   |  |  |
| Plant and Machinery  | 1,383.20                               | 1,471.21                               |
| Buildings  | 253.89                                 | 366.88                                 |
| Others   | 3,796.23                               | 3,392.97                               |
| Rates and Taxes  | 349.73                                 | 577.95                                 |
| Advertising and sales promotion                                      | 54.67                                  | 48.07                                  |
| Travelling and Conveyance  | 194.26                                 | 344.70                                 |
| Freight outward (net)  | 9,038.38                               | 5,413.46                               |
| Directors' sitting fees  | 53.50                                  | 48.50                                  |
| Commission on sales  | 285.51                                 | 226.22                                 |
| Legal & Professional Expenses  | 1,439.55                               | 779.22                                 |
| Contribution towards Corporate Social Responsibility (refer note 44) | -                                      | 28.00                                  |
| Establishment and Administrative Expenses (refer note 35.1)          | 11,524.06                              | 11,304.90                              |
| <b>Total</b>   | <b>41,663.17</b>                       | <b>36,718.90</b>                       |

35.1 Establishment and Administrative Expenses includes following major expenses :

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|--|--|--|
| Research and development expenditure (mainly material cost)          | 2,513.66                               | 2,639.39                               |
| Bio equivalence studies  | 607.91                                 | 648.22                                 |
| Lab related expenses (glass apparatus, chemicals, accessories, etc.) | 1,810.98                               | 1,711.33                               |
| Regulatory fees  | 2,278.52                               | 2,003.04                               |

35.2 Exceptional Items - expenses

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|--|--|--|
| Provision for European commission fine (refer note 38)   | 12,562.25                              | -                                      |
| 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)                                  | (6,478.91)                             | 502.24                                 |
| Employee benefits expense (one-time discretionary loyalty bonus)                                 | -                                      | 1,750.00                               |
| Net (gain) / loss on disposal of Property, Plant and Equipment                                   | (322.57)                               | -                                      |
| <b>Total</b>   | <b>5,760.77</b>                        | <b>11,266.44</b>                       |

35.2.1 During the year ended 31st March, 2023, there was a net loss of ₹ 502.24 lakhs 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 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 the financial year ending March 31, 2024, in accordance with the SPA, the Company disposed off 4918 equity shares (holdback shares), leading to a net profit of ₹ 6,478.92 lakhs. Also refer note 11.2.

### 36 OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| A (i) Items that will not be reclassified to profit or loss                       |  |  |
| Remeasurements of defined benefit plans   | (27.38)                                | 224.63                                 |
| Equity instruments through other comprehensive income (refer note 36.1)           | -                                      | 1,586.82                               |
| (ii) Income tax relating to items that will not be reclassified to profit or loss |  |  |
| Remeasurements of defined benefit plans   | -                                      | -                                      |
| Equity instruments through other comprehensive income (net)                       | -                                      | 2,061.22                               |
| B (i) Items that will be reclassified to profit or loss                           |  |  |
| Gain/ (Loss) on cash flow hedge   | (25.37)                                | -                                      |
| (ii) Income tax relating to items that will be reclassified to profit or loss     |  |  |
| Gain/ (Loss) on cash flow hedge   | -                                      | -                                      |
| <b>Total Comprehensive Income</b>   | <b>(52.75)</b>                         | <b>3,872.67</b>                        |

36.1 During the year ended 31st March, 2023 the net gain of ₹ 1,586.82 lakhs (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

## 37 CONTINGENT LIABILITIES AND OTHER LIABILITIES WHICH ARE REMOTE IN NATURE

### A. Matters considered as contingent liability

(₹ in Lakhs)

| Particulars   | 2023-2024       | 2022-2023        |
|---|-----------------|------------------|
| (i) Claims not acknowledged as debts *  | 2,028.41        | 1,847.64         |
| (ii) Fine imposed by European Commission (refer note 38)  | -               | 12,523.87        |
| (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) | 2,699.70        | 2,691.38         |
| (iv) Other money for which the Company is contingently liable   | 473.76          | -                |
| (v) Other bank guarantees   | 691.52          | 691.52           |
| <b>Total</b>  | <b>5,893.39</b> | <b>17,754.41</b> |

\* includes ₹ 83.66 lakhs (P.Y. ₹ 85.32 lakhs) income tax / sales tax refund amount kept on hold, amount paid under protest / deposit made pending adjudication under the Income tax Act, 1961, the Finance Act, 1994, Central Excise Act, 1944, Central Goods and Services tax Act, 2017 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 and (b) claims from regulatory authorities. 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 the 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 (ii), 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 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.

In this regard, the statutory auditors of Niche have continued to give qualified audit opinion on the financial statements of Niche for the year ended 31st March, 2024. 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 ₹ 12,562.25 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 above uncertainty in regard to ongoing litigation related to EU matter, during the year ended 31st March, 2024, the management of the Company on the basis of abundant precaution had made full provision of ₹ 12,562.25 lakhs (P.Y. Nil) towards EU fine which is disclosed under exceptional item.

The Company's balance financial exposure (net of impairment of investment and provision for EU Fine) is ₹ 6,563.32 lakhs (P.Y. ₹ 5,927.77 lakhs) which comprises of outstanding trade receivable and corporate guarantee given by the Company to bank on behalf of the subsidiary. Considering the above and turnaround in the performance of Niche and the future business outlook, the management is of the view that no provision is required against the above exposure.

- 39 (a) Estimated amount of Contracts remaining to be executed (net of advances) on Capital account of ₹ 4,628.06 lakhs (P.Y. ₹ 7,066.15 lakhs) and on other purchase orders of ₹ 16,769.32 lakhs (P.Y. ₹ 21,222.67 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 ₹ 26,689.50 lakhs (P.Y. ₹ 33,091.46 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 hypothecation charge on movable property, plant and equipment at Goa as well as by way of mortgage charge on immovable property being Industrial land and building at Goa. During the financial year ended 31st March 2024, the mortgage charge on immovable property situated at 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 has been released.

Further, credit facilities from Citibank NA. availed by the Company, are secured by way of first and exclusive charge on pledge against investments in mutual funds to the extent of ₹ 133.86 Lakhs (P.Y. ₹ 124.79 Lakhs).

Further, 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 which was grouped under exceptional item in Statement of Profit and Loss. The management had 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.

#### 43 Expenditure incurred during the year and included in Capital work-in-progress is as follows:

(₹ in Lakhs)

| Particulars                | 2023-2024   | 2022-2023    |
|----------------------------|-------------|--------------|
| i) Power and fuel          | 0.05        | -            |
| ii) Insurance              | -           | 11.41        |
| iii) Rent, Rates and Taxes | 0.18        | -            |
| <b>Total</b>               | <b>0.23</b> | <b>11.41</b> |

#### 44 CORPORATE SOCIAL RESPONSIBILITY

- a) Gross amount required to be spent by the company during the year is ₹ 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) | -                      | (28.00) |

Note: During the year, the company has not spent any amount on CSR as there was no obligation to spend the same. However, the company is entitled to carry forward the amount of ₹ 91.22 Lakhs (P.Y. ₹ 419.67 lakhs) spent in the earlier years to the subsequent three financial years which can be set off against the CSR obligation of these years. However, for accounting purpose such excess amount spent is not considered as prepaid expenses. During the year, ₹ 328.45 lakhs (P.Y. ₹ Nil) is lapsed for carry forward.

#### 45 HEDGE ACCOUNTING

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, 2024 |             | Changes in amount of fair value | Hedge Maturity Date             | Line Item in Balance Sheet   |
|---|---------------|--|-------------|---------------------------------|---------------------------------|------------------------------|
|   |               | Assets                                 | Liabilities |                                 |                                 |                              |
| Foreign currency risk<br>Trade Receivables hedged by<br>Forward Contracts | 50,893.53     | 50,786.12                              | -           | (107.42)                        | April 2024 to<br>September 2024 | Other Financial<br>Liability |
| Cash flow hedge   | 6,388.53      | -                                      | 6,413.90    | (25.37)                         | April 2024 to<br>September 2026 | Other Financial<br>Liability |

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<br>Trade Receivables hedged by<br>Forward Contracts | 14,449.34     | 14,518.60                              | -           | 69.26                           | April 2023 to<br>September 2023 | Other Financial<br>Assets  |
| Cash flow hedge   | -             | -                                      | -           | -                               | -                               | -                          |

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, 2024               | 31st March, 2023 | 31st March, 2024 | 31st March, 2023 |
| USD      | Sell       | 609.36                         | 174.38           | 50,786.12        | 14,518.60        |

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be re-balanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedged ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted in the Statement of Profit and Loss at the time of hedge relationship re-balancing.

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. During the year the Company has not settled any such transactions.

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, 2024               | 31st March, 2023 | 31st March, 2024 | 31st March, 2023 |
| A) Trade Receivables and Vendor advances |                                |                  |                  |                  |
| Euro                                     | 24.71                          | 30.89            | 2,217.04         | 2,757.90         |
| USD                                      | -                              | 348.23           | -                | 28,589.48        |
| Others (GBP, ZAR, CAD & CHF)             | -                              | -                | 3,012.46         | 1,628.26         |
| B) Trade Payables and Customer advances  |                                |                  |                  |                  |
| Euro                                     | 3.11                           | 1.59             | 279.69           | 142.41           |
| USD                                      | 22.16                          | 45.31            | 1,850.34         | 3,734.85         |
| Others (GBP & ZAR)                       | -                              | -                | 27.53            | 4.60             |
| C) Borrowings                            |                                |                  |                  |                  |
| USD (PCFC loan)                          | -                              | 15.00            | -                | 1,236.30         |

Note: The above figures do not include guarantee given to bank in foreign currency on behalf of subsidiary.

## 46 EMPLOYEE BENEFITS

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, 2024 |                       |                 | As at 31st March, 2023 |                       |                 |
|----------------------|------------------------|-----------------------|-----------------|------------------------|-----------------------|-----------------|
|                      | Current Liability      | Non-Current Liability | Net Liability   | Current Liability      | Non-Current Liability | Net Liability   |
| Gratuity             | 468.16                 | 862.26                | <b>1,330.42</b> | 443.02                 | 1,350.65              | <b>1,793.67</b> |
| Leave entitlements   | 430.53                 | 2,717.97              | <b>3,148.50</b> | 518.21                 | 2,786.20              | <b>3,304.41</b> |
| Long term Bonus      | 75.00                  | -                     | <b>75.00</b>    | 190.22                 | 53.84                 | <b>244.06</b>   |
| <b>Net Liability</b> | <b>973.69</b>          | <b>3,580.23</b>       | <b>4,553.92</b> | <b>1,151.45</b>        | <b>4,190.69</b>       | <b>5,342.14</b> |

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

| Particulars                            | Gratuity  |   |
|--|---|---|
|  | 2023-2024   | 2022-2023   |
| Discount rate                          | 7.20%   | 7.40%   |
| Salary growth rate                     | 9.00%   | 9.00%   |
| Expected rate of return on Plan assets | 7.20%   | 7.40%   |
| Withdrawal rate                        | 15% at younger ages<br>reducing to 2% at older ages | 15% at younger ages<br>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, 2024 | As at 31st March, 2023 |
| Present value of funded obligations | 3,452.78               | 3,827.27               |
| Fair value of plan assets           | 2,122.36               | 2,033.59               |
| <b>Net Liability (Asset)</b>        | <b>1,330.42</b>        | <b>1,793.68</b>        |

Amount charged to statement of Profit and loss:

(₹ in Lakhs)

| Particulars  | Gratuity      |               |
|--|---------------|---------------|
|  | 2023-2024     | 2022-2023     |
| Current service cost   | 443.02        | 439.57        |
| Net interest cost  | 116.34        | 101.03        |
| <b>Total charge to statement of P&amp;L (included in employee benefit expense)</b> | <b>559.36</b> | <b>540.60</b> |

Amount charged to Other Comprehensive Income:

(₹ in Lakhs)

| Particulars   | Gratuity     |                 |
|---|--------------|-----------------|
|   | 2023-2024    | 2022-2023       |
| Components of actuarial (gain) / losses on obligations:             |              |                 |
| Due to change in financial assumptions                              | 54.33        | (178.81)        |
| Due to change in demographic assumption                             | -            | -               |
| Due to experience adjustments                                       | 32.53        | 65.67           |
| Return on plan assets excluding amounts included in interest income | (59.48)      | (111.49)        |
| <b>Amounts recognized in Other Comprehensive (Income) / Loss</b>    | <b>27.38</b> | <b>(224.63)</b> |

Reconciliation of defined benefit obligation:

(₹ in Lakhs)

| Particulars  | Gratuity        |                 |
|--|-----------------|-----------------|
|  | 2023-2024       | 2022-2023       |
| <b>Opening Defined Benefit Obligation</b>                      | <b>3,827.28</b> | <b>3,508.69</b> |
| Current service cost   | 443.02          | 439.57          |
| Interest cost  | 240.46          | 198.89          |
| Actuarial loss / (gain) due to change in financial assumptions | 54.33           | (178.81)        |
| Due to change in demographic assumption                        | -               | -               |
| Actuarial loss / (gain) due to experience adjustments          | 32.53           | 65.67           |
| Benefits paid  | (1,144.83)      | (206.73)        |
| <b>Closing Defined Benefit Obligation</b>                      | <b>3,452.79</b> | <b>3,827.28</b> |

Reconciliation of plan assets:

(₹ in Lakhs)

| Particulars                           | Gratuity        |                 |
|---------------------------------------|-----------------|-----------------|
|                                       | 2023-2024       | 2022-2023       |
| <b>Opening value of plan assets</b>   | <b>2,033.60</b> | <b>1,780.99</b> |
| Interest income                       | 124.11          | 97.85           |
| Return on plan assets excluding above | 59.48           | 111.49          |
| Contributions by employer             | 1,050.00        | 250.00          |
| Benefits paid                         | (1,144.83)      | (206.73)        |
| <b>Closing value of plan assets</b>   | <b>2,122.36</b> | <b>2,033.60</b> |

Sensitivity analysis:

| Assumptions        | Change in assumptions |            | Increase/(decrease) in defined benefit obligation |           |
|--------------------|-----------------------|------------|---|-----------|
|                    | Increase/decrease     | Percentage | 2023-2024   | 2022-2023 |
| Discount rate      | Increase by           | 0.5%       | -3.86%  | -3.07%    |
|                    | Decrease by           | 0.5%       | 4.13%   | 3.29%     |
| Salary growth rate | Increase by           | 0.5%       | 4.03%   | 3.22%     |
|                    | Decrease by           | 0.5%       | -3.81%  | -3.04%    |
| Withdrawal rate    | Increase by           | 10%        | -0.81%  | -0.64%    |
|                    | Decrease by           | 10%        | 0.88%   | 0.69%     |

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  | 2023-2024 | 2022-2023 |
|--|-----------|-----------|
| Expected contribution for the next year (₹ Lakhs)                | 468.16    | 443.02    |
| Weighted average duration for defined benefit obligation (years) | 7.76      | 6.22      |

**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.

## 47 RELATED PARTY DISCLOSURES

Disclosure of related parties / related party transactions pursuant to Ind AS 24 'Related Party Disclosure'.

### (a) List of related parties:

|   |  |
|---|--|
| <p><b>(i) Subsidiaries of the Company (Wholly Owned) :</b></p> <p>Niche Generics Limited. (United Kingdom)<br/>Unichem SA Pty. LTD. (South Africa)<br/>Unichem Farmaceutica Do Brasil Ltda (Brazil)<br/>Unichem Pharmaceuticals (USA) Inc. (USA)<br/>Unichem Laboratories Ltd. (Ireland)<br/>Unichem (China) Pvt. Ltd. (China)</p>  | <p><b>(ii) Enterprises under significant influence of key management personnel as defined in (iii) : (disclosed to the extent of transactions)</b></p> <p>Uni - Distributors Pvt. Ltd.(upto 9th August, 2023)<br/>Adiwasi Unnati Mandal<br/>Uni Trust (upto 9th August, 2023)<br/>Prakash Amrut Mody - Suparna Mody (Promoter Trust)<br/>Prakash Amrut Mody - Supriya Mody (Promoter Trust)<br/>Prakash Amrut Mody - Shwetambari Mody (Promoter Trust)</p> |
| <p><b>(iii) Key management personnel and their relatives: (disclosed to the extent of transactions)</b></p> <p>Dr. Prakash A. Mody (Chairman) *<br/>Mrs. Anita Mody (Spouse of CMD)<br/>Ms. Supriya Mody (Daughter of CMD) (upto 15th May, 2023)<br/>Ms. Suparna Mody (Daughter of CMD)<br/>Mr. Dilip J. Kunkolienkar (Director - Technical) (upto 9th August, 2023)<br/>Mr. Pabitrakumar Bhattacharyya (Managing Director) (w.e.f. 10th August, 2023)<br/>* Dr. Prakash A. Mody was both Chairman &amp; Managing Director upto 9th August, 2023.</p> | <p><b>(iv) Independent Directors:</b></p> <p>Ms. Priti Puri<br/>Mr. Anand Y. Mahajan (upto 31st March, 2024)<br/>Mr. Prafull Anubhai (upto 31st March, 2024)<br/>Mr. Prafull D Sheth (upto 31st March, 2024)<br/>Mr. Arun Todarwal (w.e.f. 5th February, 2024)<br/>Mr. Anand Kusre (w.e.f. 5th February, 2024)</p>   |
| <p><b>(v) Post-employment benefit plans:</b></p> <p>Unichem Laboratories Ltd.-Employees Gratuity Fund<br/>Unichem Laboratories Ltd.-Employees Superannuation Fund</p>   | <p><b>(vi) Key management personnel and their relatives as per Companies Act, 2013:</b></p> <p>Dr. Prakash A. Mody (Chairman &amp; Managing Director) (upto 9th August, 2023)<br/>Mr. Pradeep Bhandari - (Head - Legal &amp; Company Secretary)<br/>Mr. Sandip Ghume (Dy. Chief Financial Officer)<br/>Mr. Pabitrakumar Bhattacharyya (Managing Director) (w.e.f. 10th August, 2023)</p>   |
| <p><b>(vii) Enterprises exercising control:</b></p> <p>IPCA Laboratories Ltd. (w.e.f. 10th August, 2023)</p>  | <p><b>(viii) Non-Executive Directors:</b></p> <p>Dr. Prakash A. Mody (w.e.f. 10th August, 2023)</p>  |

### b) Disclosure of related party transactions :

(₹ in Lakhs)

| Particulars  | 2023-2024        | 2022-2023        |
|--|------------------|------------------|
| i) Sale of finished goods / scraps / solvents (Net of returns) |                  |                  |
| Subsidiaries   |                  |                  |
| Niche Generics Limited.  | 3,383.36         | 1,692.75         |
| Unichem SA Pty. Ltd.   | 917.17           | 801.63           |
| Unichem Farmaceutica Do Brasil Ltda                            | 6,950.13         | 4,337.42         |
| Unichem Pharmaceuticals (USA) Inc.                             | 82,902.55        | 59,023.13        |
| Unichem Laboratories Ltd (Ireland)                             | 90.07            | 166.15           |
| Holding  |                  |                  |
| IPCA Laboratories Ltd  | 140.87           | -                |
|  | <b>94,384.15</b> | <b>66,021.08</b> |
| ii) Sale of Materials  |                  |                  |
| IPCA Laboratories Ltd  | 30.38            | -                |
|  | <b>30.38</b>     | -                |
| iii) Purchase of Materials                                     |                  |                  |
| IPCA Laboratories Ltd  | 233.14           | -                |
|  | <b>233.14</b>    | -                |
| iv) Purchase of Capital Items                                  |                  |                  |
| IPCA Laboratories Ltd  | 15.93            | -                |
|  | <b>15.93</b>     | -                |
| v) Reimbursements from subsidiaries (excluding indirect tax)   |                  |                  |
| Unichem Pharmaceuticals (USA) Inc.                             | -                | 771.91           |
| Unichem SA Pty. Ltd.   | 42.25            | 84.46            |
|  | <b>42.25</b>     | <b>856.37</b>    |
| vi) Investments made (includes ESOP)                           |                  |                  |
| Subsidiary   |                  |                  |
| Unichem Pharmaceuticals (USA) Inc.                             | 306.32           | 31.80            |
| Unichem (China) Pvt Ltd  | 83.42            | 270.87           |
|  | <b>389.74</b>    | <b>302.67</b>    |
| vii) Guarantee commission income                               |                  |                  |
| Niche Generics Limited   | 26.95            | 25.43            |
|  | <b>26.95</b>     | <b>25.43</b>     |
| viii) Commission Expense                                       |                  |                  |
| Unichem Farmaceutica Do Brasil Ltda                            | 154.78           | 34.91            |
|  | <b>154.78</b>    | <b>34.91</b>     |
| ix) Guarantees to banks - given including renewal / (reduced)  |                  |                  |
| On behalf of Subsidiary Company                                |                  |                  |
| Niche Generics Limited   | 674.93           | 672.84           |
| Niche Generics Limited   | (674.93)         | (672.84)         |
|  | -                | -                |

**b) Disclosure of related party transactions :**

(₹ in Lakhs)

| Particulars   | 2023-2024       | 2022-2023       |
|---|-----------------|-----------------|
| x) Rent & Maintenance paid (excluding indirect taxes)                   |                 |                 |
| Relative of Key Management Personnel                                    |                 |                 |
| Mrs. Anita Mody   | 7.55            | 16.53           |
| Enterprise under significant influence of Key Management Personnel      |                 |                 |
| Uni - Distributors Pvt. Ltd.  | 7.43            | 14.15           |
| Uni Trust   | 5.25            | 9.00            |
|   | <b>20.23</b>    | <b>39.68</b>    |
| xii) Repayment of deposits from   |                 |                 |
| Relative of Key Management Personnel                                    |                 |                 |
| Mrs Anita Mody  | 45.90           | -               |
| Enterprise under significant influence of Key Management Personnel      |                 |                 |
| Uni - Distributors Pvt. Ltd.  | 5.00            | -               |
| Uni Trust   | 2.25            | -               |
|   | <b>53.15</b>    | <b>-</b>        |
| xiii) Managerial remuneration (including defined contribution plan)     |                 |                 |
| Key Management Personnel  |                 |                 |
| Dr. Prakash A. Mody   | 1,176.37        | 592.35          |
| Mr. Dilip J Kunkolienkar  | 287.93          | 239.23          |
| Mr. Pabitrakumar Bhattacharyya  | 187.50          | -               |
|   | <b>1,651.80</b> | <b>831.58</b>   |
| xiiii) Salary (including defined contribution plan)                     |                 |                 |
| Relative of Key Management Personnel                                    |                 |                 |
| Ms. Supriya Mody  | 66.47           | 107.93          |
|   | <b>66.47</b>    | <b>107.93</b>   |
| xv) Dividend Paid   |                 |                 |
| Key Management Personnel & Relatives                                    |                 |                 |
| Dr. Prakash A. Mody   | -               | 1,299.98        |
| Mrs. Anita Mody   | -               | 52.94           |
| Ms. Supriya Mody  | -               | 38.00           |
| Ms. Suparna Mody  | -               | 38.00           |
| Mr. Dilip J. Kunkolienkar   | -               | 3.02            |
| Prakash Amrut Mody - Suparna Mody (Promoter Trust)                      | -               | 2.08            |
| Prakash Amrut Mody - Supriya Mody (Promoter Trust)                      | -               | 1.80            |
| Prakash Amrut Mody - Shwetaambari Mody (Promoter Trust)                 | -               | 1.65            |
|   | -               | <b>1,437.47</b> |
| Independent Directors   |                 |                 |
| Mr. Anand Y. Mahajan  | -               | 0.60            |
| Mr. Prafull Anubhai   | -               | 0.03            |
| Mr. Prafull D Sheth   | -               | 0.30            |
|   | -               | <b>0.93</b>     |
| xvi) Expenses Reimbursement (Establishment and administrative expenses) |                 |                 |
| Subsidiaries  |                 |                 |
| Unichem SA Pty. Ltd.  | 25.34           | 33.11           |
| Unichem Farmaceutica Do Brasil Ltda                                     | 6.20            | 4.79            |
| Unichem Pharmaceuticals (USA) Inc.                                      | 180.46          | 193.85          |
| Holding   |                 |                 |
| IPCA Laboratories Ltd.  | 981.18          | -               |
| Independent Directors   |                 |                 |
| Mr. Prafull Anubhai   | 0.19            | -               |
| Mr. Prafull D Sheth   | 0.17            | -               |
|   | <b>1,193.54</b> | <b>231.75</b>   |
| xvii) Sitting Fees  |                 |                 |
| Independent Directors   |                 |                 |
| Dr. Prakash A. Mody   | 1.00            | -               |
| Mr. Pranay Godha  | 3.00            | -               |
| Mr. Anand Kurse   | 1.00            | -               |
| Mr. Arun Tadarwal   | 1.00            | -               |
| Ms. Priti Puri  | 8.50            | -               |
| Dr. (Mrs.) B. Kinnera Murthy  | -               | 9.50            |
| Mr. Anand Y. Mahajan  | 13.00           | 12.00           |
| Mr. Prafull Anubhai   | 14.00           | 13.50           |
| Mr. Prafull D Sheth   | 12.00           | 13.50           |
|   | <b>53.50</b>    | <b>48.50</b>    |
| xviii) Sale of Assets   |                 |                 |
| Key Management Personnel & Relatives                                    |                 |                 |
| Dr. Prakash A. Mody   | 102.00          | -               |
| Ms Supriya Mody   | 8.41            | -               |
| Mr. Dilip J. Kunkolienkar   | 12.00           | -               |
| Uni - Distributors Pvt. Ltd.  | 438.16          | -               |
|   | <b>560.57</b>   | <b>-</b>        |
| xix) Corporate Social Responsibility                                    |                 |                 |
| Enterprise under significant influence of Key Management Personnel      |                 |                 |
| Adiwasi Unnati Mandal   | -               | 5.00            |
|   | -               | <b>5.00</b>     |

**c) Disclosure of related party balances :**

(₹ in Lakhs)

| Particulars  | 2023-2024        | 2022-2023        |
|--|------------------|------------------|
| i) Trade Receivables   |                  |                  |
| Subsidiaries   |                  |                  |
| Niche Generics Limited.  | 3,863.62         | 3,236.39         |
| Unichem SA Pty. Ltd.   | 377.18           | 219.96           |
| Unichem Farmaceutica Do Brasil Ltda  | 5,447.09         | 4,919.24         |
| Unichem Pharmaceuticals (USA) Inc.   | 33,269.26        | 28,891.75        |
| Unichem Laboratories Ltd (Ireland)   | 35.35            | 76.60            |
| Holding  |                  |                  |
| IPCA Laboratories Ltd  | 176.05           | -                |
|  | <b>43,168.55</b> | <b>37,343.94</b> |
| ii) Trade Payables   |                  |                  |
| Subsidiaries   |                  |                  |
| Niche Generics Limited.  | 2.42             | 2.40             |
| Unichem SA Pty. Ltd.   | 4.78             | 1.31             |
| Unichem Farmaceutica Do Brasil Ltda  | 2.81             | -                |
| Unichem Pharmaceuticals (USA) Inc.   | 43.76            | 6.73             |
| Holding  |                  |                  |
| IPCA Laboratories Ltd  | 167.63           | -                |
|  | <b>221.40</b>    | <b>10.44</b>     |
| iii) Commission Payable  |                  |                  |
| Unichem Farmaceutica Do Brasil Ltda  | 85.87            | 2.97             |
|  | <b>85.87</b>     | <b>2.97</b>      |
| 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  | 3,538.37         | 3,232.05         |
| Unichem Laboratories Ltd (Ireland) **  | 2,104.84         | 2,104.84         |
| Unichem (China) Pvt Ltd (China)  | 720.92           | 637.50           |
| * fully provided as impairment in value of investment  |                  |                  |
| ** fully provided as impairment in value of investment during the year ended 31st March, 2023                        |                  |                  |
|  | <b>20,372.35</b> | <b>19,982.61</b> |
| v) Guarantees given (to the extent of facility availed by the subsidiaries) to Banks on behalf of Subsidiary Company |                  |                  |
| Niche Generics Limited   | 2,699.70         | 2,691.38         |
|  | <b>2,699.70</b>  | <b>2,691.38</b>  |
| vi) Deposits paid  |                  |                  |
| Relative of Key Management Personnel   |                  |                  |
| Mrs. Anita Mody  | -                | 45.90            |
| Enterprise under significant influence of Key Management Personnel   |                  |                  |
| Uni - Distributors Pvt. Ltd.   | -                | 5.00             |
| Uni Trust  | -                | 2.25             |
|  | -                | <b>53.15</b>     |
| vii) Other Current Liabilities   |                  |                  |
| Key Management Personnel   |                  |                  |
| Dr. Prakash A. Mody  | -                | 72.59            |
|  | -                | <b>72.59</b>     |

**d) Contribution to post employment benefit plan :**

(₹ in Lakhs)

| Particulars   | 2023-2024       | 2022-2023     |
|---|-----------------|---------------|
| Post-employment benefit plans                             |                 |               |
| Unichem Laboratories Ltd. - Employees Gratuity Fund       | 1,050.00        | 250.00        |
| Unichem Laboratories Ltd. - Employees Superannuation Fund | 66.05           | 106.94        |
|   | <b>1,116.05</b> | <b>356.94</b> |

**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                                     | 2023-2024     | 2022-2023     |
|---|---------------|---------------|
| i) Salary (including defined contribution plan) |               |               |
| Key Management Personnel                        |               |               |
| Mr. Pradeep Bhandari                            | 98.39         | 96.60         |
| Mr. Sandip Ghume                                | 78.72         | 107.45        |
|   | <b>177.11</b> | <b>204.05</b> |

**Notes related to (a) to (e):** 1. 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, reimbursement of expenses to KMP and their relatives are not included above. 2. Related party contracts / arrangements have been entered in ordinary course of business and are approved by the board of directors / shareholders as applicable.

#### 48 LEASE

Disclosure as per Ind AS 116 'Leases' is as given below. Also, refer note 2.14 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 ₹ 25.78 lakhs (P.Y. ₹ 32.58 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: | 2023-2024    | 2022-2023    |
|---|--------------|--------------|
| Lease payment not later than one year   | 12.14        | 10.66        |
| Lease Payment later than one year and not later than five years   | 0.68         | 2.52         |
| Lease Payment later than five years   | -            | -            |
| <b>Total</b>  | <b>12.82</b> | <b>13.18</b> |

- 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 ₹ 90.84 lakhs (P.Y. ₹ 132.15 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  | 2023-2024     | 2022-2023     |
|--|---------------|---------------|
| Interest expense on lease liabilities (Refer note 33)  | 53.57         | 53.84         |
| Lease expenses in case of short term leases (Refer note 48(b))   | 90.84         | 132.15        |
| Lease expenses in case of low value leases (other than short term as disclosed above) (Refer note 48(a)) | 25.78         | 32.58         |
| Lease payments debited to lease liabilities  | 17.22         | -             |
| <b>Total cash outflow for leases [including short-term and low value leases]</b>                         | <b>187.41</b> | <b>218.57</b> |
| <b>Additions to ROU assets</b>   | <b>-</b>      | <b>46.58</b>  |

- d) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2024 and 31st March, 2023 on an undiscounted basis:

(₹ in Lakhs)

| Particulars   | 2023-2024       | 2022-2023       |
|---|-----------------|-----------------|
| Lease payment not later than one year                           | 17.43           | 49.30           |
| Lease Payment later than one year and not later than five years | 231.58          | 225.49          |
| Lease Payment later than five years                             | 1,968.47        | 1,936.33        |
| <b>Total</b>  | <b>2,217.48</b> | <b>2,211.12</b> |

- 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).

#### 49 EARNINGS PER EQUITY SHARE (EPS)

| Particulars   |         | 2023-2024   | 2022-2023   |
|---|---------|-------------|-------------|
| 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 | (9,218.03)  | (29,970.19) |
| Earnings per equity share   |         |             |             |
| Basic (C/A)   | ₹       | (13.09)     | (42.57)     |
| Diluted (C/B)   | ₹       | (13.09)     | (42.57)     |

Note: ESOPs are anti-dilutive and therefore, not considered for calculation of diluted earning per share. Also refer note 18.1.

## 50 SHARE BASED PAYMENT PLANS (ESOP)

(i) During the year ended 31st March, 2024 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       | 01.07.2023   |
| Number granted      | 5,00,000   |
| Contractual life    | 1-3 Years  |
| Vesting condition   | As decided by Board/ Compensation Committee based on various factors |

(ii) Summary of stock option are as follows:

| Particulars   | ESOP 2018       |                  |
|---|-----------------|------------------|
|   | 2023-2024       | 2022-2023        |
| Option outstanding at the beginning of the year (Nos.)                    | 15,12,224       | 15,12,224        |
| Granted during the year (Nos.)  | 5,00,000        | -                |
| Exercised during the year (Nos.)  | -               | -                |
| Lapsed during the year (Nos.)   | -               | -                |
| Surrendered / forfeited during the year (Nos.)                            | 15,12,224       | -                |
| <b>Option outstanding at the end of the year (Nos.) (refer note 18.1)</b> | <b>5,00,000</b> | <b>15,12,224</b> |
| Vested and exercisable at the end of the year (Nos.)                      | -               | -                |
| Weighted Average Exercise Price (₹)                                       | 370             | 250              |
| Weighted Average Fair Value of Option at the measurement date * (₹)       | 122             | 80               |

\*The fair value at grant date is determined using the Black-Scholes-Merton Option Pricing Model which takes into account the market price of the optioned stock, exercise price, expected life of the option and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

During the year ended 31st March, 2024 outstanding ESOP at the beginning of the year have been surrendered by the employees to the company. Further, the Company has granted 500,000 stock options to the employee of the Company's WOS.

(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    |                  |
|----------------|------------------|-------------|--------------------|-----------------|------------------|
|                |                  |             |                    | 2023-2024       | 2022-2023        |
| 6th Aug, 2018  | 30th June, 2024  | ESOP 2018   | 250                | -               | 7,56,112         |
| 6th Aug, 2018  | 30th June, 2024  | ESOP 2018   | 250                | -               | 7,56,112         |
| 1st July, 2023 | 30th Sept., 2025 | ESOP 2018   | 370                | 2,50,000        | -                |
| 1st July, 2023 | 31st July, 2026  | ESOP 2018   | 370                | 1,25,000        | -                |
| 1st July, 2023 | 31st July, 2027  | ESOP 2018   | 370                | 1,25,000        | -                |
| <b>Total</b>   |                  |             |                    | <b>5,00,000</b> | <b>15,12,224</b> |

(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                | 2023-2024 | 2022-2023     |
|----------------------------|-----------|---------------|
| Employee stock option plan | -         | 104.93        |
| <b>Total</b>               | <b>-</b>  | <b>104.93</b> |

## 51 PAYMENTS TO STATUTORY AUDITORS AND COST AUDITORS

(i) Statutory Auditors (Excluding indirect tax)

(₹ in Lakhs)

| Particulars   | 2023-2024     | 2022-2023    |
|---|---------------|--------------|
| <b>Included in Establishment &amp; Administrative expenses:</b> |               |              |
| Audit Fees  | 47.50         | 45.00        |
| Tax Audit   | 10.00         | 9.50         |
| Certification Charges   | 2.08          | 1.93         |
| Taxation  | 50.74         | 24.00        |
| Reimbursement of Expenses                                       | 1.40          | 2.11         |
| <b>Total</b>  | <b>111.72</b> | <b>82.54</b> |

**(ii) Cost Auditors (Excluding indirect Tax)**

(₹ in Lakhs)

| Particulars   | 2023-2024   | 2022-2023   |
|---|-------------|-------------|
| <b>Included in Establishment &amp; Administrative expenses:</b> |             |             |
| Audit Fees  | 9.00        | 9.00        |
| Certification charges   | -           | -           |
| <b>Total</b>  | <b>9.00</b> | <b>9.00</b> |

**52 RESEARCH & DEVELOPMENT EXPENDITURE**

- i) Total Research and Development expenditure including amount incurred at units approved by Department of Scientific & Industrial Research :

(₹ in Lakhs)

| Particulars   | 2023-2024        | 2022-2023        |
|---|------------------|------------------|
| Materials   | 3,586.33         | 3,312.34         |
| Salaries, wages and ex-gratia                       | 3,158.54         | 3,740.24         |
| Contribution to provident fund and other funds      | 227.52           | 221.99           |
| Employees' welfare expenses                         | 56.10            | 60.51            |
| Rent  | 5.38             | 15.60            |
| Insurance   | 44.59            | 44.85            |
| Rates and taxes                                     | 15.92            | 14.11            |
| <b>Repairs:</b>                                     |                  |                  |
| Plant and machinery                                 | 53.20            | 88.00            |
| Others  | 285.59           | 243.67           |
| Power and fuel                                      | 323.53           | 386.07           |
| Travelling and conveyance                           | 20.63            | 40.57            |
| Legal & professional expenses                       | 332.74           | 233.51           |
| Others (depreciation, bioequivalence studies, etc.) | 2,356.63         | 2,538.35         |
| <b>Total</b>  | <b>10,466.70</b> | <b>10,939.81</b> |

- ii) Research and Development expenditure at units approved by Department of Scientific & Industrial Research included in total Research and Development expenditure (Refer note 52(i)).

(₹ in Lakhs)

| Particulars   | 2023-2024       | 2022-2023       |
|---|-----------------|-----------------|
| Materials   | 2,407.36        | 2,416.94        |
| Salaries, wages and ex-gratia                       | 3,122.06        | 3,654.79        |
| Contribution to provident fund and other funds      | 225.68          | 219.94          |
| Employees' welfare expenses                         | 55.34           | 59.59           |
| Rent  | 2.56            | 15.60           |
| Insurance   | 32.54           | 35.06           |
| Rates and taxes                                     | 15.92           | 14.11           |
| <b>Repairs:</b>                                     |                 |                 |
| Plant and machinery                                 | 51.19           | 83.63           |
| Others  | 284.58          | 230.99          |
| Power and fuel                                      | 289.87          | 330.33          |
| Travelling and conveyance                           | 20.63           | 40.57           |
| Legal & professional expenses                       | 332.74          | 233.50          |
| Others (depreciation, bioequivalence studies, etc.) | 1,932.09        | 2,102.13        |
| <b>Total</b>  | <b>8,772.56</b> | <b>9,437.18</b> |

**53 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS PURSUANT TO SECTION 186(4) OF THE COMPANIES ACT, 2013**

(₹ in Lakhs)

| Particulars  | 2023-2024 | 2022-2023 |
|--|-----------|-----------|
| Amount outstanding as at year end :                            |           |           |
| Guarantees given *   | 2,699.70  | 2,691.38  |
| Investments made ** (includes guarantee commission receivable) | 33,554.11 | 35,590.14 |

\* Guarantees are given to subsidiaries for business purposes

\*\* Refer note 6, 11 and 13 for details of investments made



## 54 FINANCIAL INSTRUMENTS

i) The carrying value and fair value of financial instruments by category is as follows :

(₹ in Lakhs)

| Particulars   | As at 31st March, 2024 |                  | As at 31st March, 2023 |                  |
|---|------------------------|------------------|------------------------|------------------|
|   | Carrying amount        | Fair value       | Carrying amount        | Fair value       |
| <b>Financial assets: *</b>  |                        |                  |                        |                  |
| <b>Amortised cost</b>   |                        |                  |                        |                  |
| Cash and cash equivalents   | 88.37                  | 88.37            | 698.27                 | 698.27           |
| Other bank balances   | 341.02                 | 341.02           | 161.09                 | 161.09           |
| Trade receivables   | 55,841.79              | 55,841.79        | 47,207.61              | 47,207.61        |
| Loans   | 16.69                  | 16.69            | 18.38                  | 18.38            |
| Other financial assets  | 612.33                 | 612.33           | 733.00                 | 733.00           |
| <b>Fair value through profit or loss</b>                          |                        |                  |                        |                  |
| Investments in mutual funds (including cash and cash equivalents) | 12,610.44              | 12,610.44        | 14,993.36              | 14,993.36        |
| Investments in equity instruments                                 | 2.00                   | 2.00             | 44.86                  | 44.86            |
| Derivative instruments  | -                      | -                | 69.26                  | 69.26            |
| <b>Fair value through OCI</b>                                     |                        |                  |                        |                  |
| Investments in equity instruments                                 | -                      | -                | -                      | -                |
| <b>Total</b>  | <b>69,512.64</b>       | <b>69,512.64</b> | <b>63,925.83</b>       | <b>63,925.83</b> |
| <b>Financial liabilities:</b>                                     |                        |                  |                        |                  |
| <b>Amortised cost</b>   |                        |                  |                        |                  |
| Borrowings  | 6,388.53               | 6,388.53         | 10,167.52              | 10,167.52        |
| Trade payables  | 24,949.05              | 24,949.05        | 24,447.28              | 24,447.28        |
| Lease liabilities   | 641.32                 | 641.32           | 657.66                 | 657.66           |
| Other financial liabilities                                       | 2,267.92               | 2,267.92         | 4,548.45               | 4,548.45         |
| <b>Fair value through profit or loss</b>                          |                        |                  |                        |                  |
| Derivative instruments  | 132.79                 | 132.79           | -                      | -                |
| <b>Total</b>  | <b>34,379.61</b>       | <b>34,379.61</b> | <b>39,820.91</b>       | <b>39,820.91</b> |

\* 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, 2024

(₹ in Lakhs)

| Particulars   | Level 1   | Level 2 | Level 3 | Total     |
|---|-----------|---------|---------|-----------|
| <b>Financial Assets</b>                                       |           |         |         |           |
| Investment in equity instruments (other than in subsidiaries) | -         | -       | 2.00    | 2.00      |
| Investments in mutual funds                                   | 12,610.44 | -       | -       | 12,610.44 |
| <b>Financial Liabilities</b>                                  |           |         |         |           |
| Derivative Instruments (gain) / loss                          | -         | 132.79  | -       | 132.79    |

Fair value hierarchy as at 31st March, 2023

(₹ in Lakhs)

| Particulars   | Level 1   | Level 2 | Level 3 | Total     |
|---|-----------|---------|---------|-----------|
| <b>Financial Assets</b>                                       |           |         |         |           |
| Investment in equity instruments (other than in subsidiaries) | 14.09     | -       | 30.77   | 44.86     |
| Investments in mutual funds                                   | 14,993.36 | -       | -       | 14,993.36 |
| <b>Financial Liabilities</b>                                  |           |         |         |           |
| Derivative Instruments (gain) / loss                          | -         | (69.26) | -       | (69.26)   |

### 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.

## 55 FINANCIAL RISK MANAGEMENT

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) form non-derivative financial instruments:

| As at 31st March, 2024                | USD              | Euro            | Others*         | Total            |
|---------------------------------------|------------------|-----------------|-----------------|------------------|
| <b>Assets</b>                         |                  |                 |                 |                  |
| Trade Receivables and vendor advances | 50,786.12        | 2,217.04        | 3,012.46        | 56,015.62        |
| <b>Total</b>                          | <b>50,786.12</b> | <b>2,217.04</b> | <b>3,012.46</b> | <b>56,015.62</b> |
| <b>Liabilities</b>                    |                  |                 |                 |                  |
| Trade Payable and customer advances   | 1,850.34         | 279.69          | 27.53           | 2,157.56         |
| Borrowings                            | 6,413.90         | -               | -               | 6,413.90         |
| <b>Total</b>                          | <b>8,264.24</b>  | <b>279.69</b>   | <b>27.53</b>    | <b>8,571.46</b>  |
| <b>Net Assets / Liabilities</b>       | <b>42,521.88</b> | <b>1,937.35</b> | <b>2,984.93</b> | <b>47,444.16</b> |

\* Others mainly include currency namely GBP, ZAR, CAD & CHF

| As at 31st March, 2023                | USD              | Euro            | Others**        | Total            |
|---------------------------------------|------------------|-----------------|-----------------|------------------|
| <b>Assets</b>                         |                  |                 |                 |                  |
| Trade Receivables and vendor advances | 43,108.08        | 2,757.90        | 1,628.26        | 47,494.24        |
| <b>Total</b>                          | <b>43,108.08</b> | <b>2,757.90</b> | <b>1,628.26</b> | <b>47,494.24</b> |
| <b>Liabilities</b>                    |                  |                 |                 |                  |
| Trade Payable and customer advances   | 3,734.85         | 142.41          | 4.60            | 3,881.86         |
| Borrowings                            | 1,236.30         | -               | -               | 1,236.30         |
| <b>Total</b>                          | <b>4,971.15</b>  | <b>142.41</b>   | <b>4.60</b>     | <b>5,118.16</b>  |
| <b>Net Assets / Liabilities</b>       | <b>38,136.93</b> | <b>2,615.49</b> | <b>1,623.66</b> | <b>42,376.08</b> |

\*\* Others mainly include currency namely GBP, ZAR & CAD

### Sensitivity analysis

| Particulars  | FOREIGN CURRENCY SENSITIVITY |         |         |                        |         |         |
|--|------------------------------|---------|---------|------------------------|---------|---------|
|  | As at 31st March, 2024       |         |         | As at 31st March, 2023 |         |         |
|  | USD                          | Euro    | Others  | USD                    | Euro    | Others  |
| 1 % Appreciation in INR<br>Impact on Profit & Loss | (425.22)                     | (19.37) | (29.85) | (381.37)               | (26.15) | (16.24) |
| 1 % Depreciation in INR<br>Impact on Profit & Loss | 425.22                       | 19.37   | 29.85   | 381.37                 | 26.15   | 16.24   |

**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, 2024. 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, 2023.

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)

| <b>As at 31st March, 2024</b> | <b>In 1 year</b> | <b>More than 1 year</b> | <b>Total</b>     |
|-------------------------------|------------------|-------------------------|------------------|
| Trade Payable                 | 24,949.05        | -                       | 24,949.05        |
| Lease liabilities             | 17.43            | 623.89                  | 641.32           |
| Borrowings                    | 2,566.32         | 3,822.21                | 6,388.53         |
| Other financial liabilities   | 2,400.71         | -                       | 2,400.71         |
| <b>Total</b>                  | <b>29,933.51</b> | <b>4,446.10</b>         | <b>34,379.61</b> |

(₹ in Lakhs)

| <b>As at 31st March, 2023</b> | <b>In 1 year</b> | <b>More than 1 year</b> | <b>Total</b>     |
|-------------------------------|------------------|-------------------------|------------------|
| 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         |
| <b>Total</b>                  | <b>32,800.35</b> | <b>7,020.56</b>         | <b>39,820.91</b> |

**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, 2024 and 31st March, 2023.

## 56 RATIOS

| Ratio                                | Numerator   | Denominator                                      | Times / % | 2023-2024      | 2022-2023       | % Variance | Reason for variance in excess of 25%  |
|--------------------------------------|---|--|-----------|----------------|-----------------|------------|---|
|                                      |   |  |           | Current Period | Previous Period |            |   |
| (a) Current Ratio                    | Current Assets  | Current Liabilities                              | times     | 2.88           | 3.33            | -13.51%    | -   |
| (b) Debt-Equity Ratio                | Total Borrowings  | Shareholder's Equity                             | times     | 0.03           | 0.04            | -25.00%    | Reductions in borrowings during the current year  |
| (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     | 0.62           | (5.40)          | 111.48%    | Ratio is improved mainly due to growth in sales   |
| (d) Return on Equity                 | Profit / (Loss) after tax   | Average Shareholder's Equity                     | %         | -3.9%          | -11.9%          | 67.23%     | As stated in (c) above  |
| (e) Inventory/Stock Turnover Ratio   | Cost of goods sold +consumption of stores and spares  | Average Inventory                                | times     | 1.45           | 1.15            | 26.09%     | substantial increase in sale volume with marginal increase in inventory levels.                 |
| (f) Trade Receivables Turnover Ratio | Sales   | Average Trade Receivable                         | times     | 2.70           | 2.42            | 11.57%     | -   |
| (g) Trade payables Turnover Ratio    | Purchases   | Average Trade Payables                           | times     | 5.22           | 4.88            | 6.97%      | -   |
| (h) Net Capital Turnover Ratio       | Sales   | Working Capital                                  | times     | 1.52           | 1.14            | 33.33%     | 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  | %         | -6.62%         | -29.08%         | 77.24%     | Ratio is improved mainly due to growth in sales   |
| (j) Return on Capital Employed       | Profit / (Loss) before interest and tax (after exceptional items)   | Capital Employed                                 | %         | -3.47%         | -10.85%         | 68.02%     | As stated in (i) above  |
| (k) Return on Investment             | Income generated from invested funds including fair valuation   | Average invested funds                           | %         | 18.83%         | 10.09%          | 86.62%     | Lower fair value gain and part of the investments are also liquidated in current year           |

57 As on 31st March, 2024, 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, 2024 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

**Bhavin Kapadia**

Partner

Membership No.: 118991

Place: Mumbai

Date: 22nd May, 2024

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

**Dr. Prakash A. Mody**

Non-Independent Chairman (DIN: 00001285)

**Pranay Godha**

Non-Executive, Non-Independent Director (DIN: 00016525)

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sandip Ghume**

Deputy Chief Financial Officer

**Pradeep Bhandari**

Head - Legal & Company Secretary

# Independent Auditors' Report to the Members of Unichem Laboratories Limited

To

The Members,

**Unichem Laboratories Limited**

## Report on the Audit of the Consolidated Financial Statements

### 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, 2024, 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 material 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 8 below on separate financial statements and on the other financial information of the subsidiaries and the associate, 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, 2024 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 Opinion

3. 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 opinion on the consolidated financial statements.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### Information other than the consolidated financial statements and Auditor's Report Thereon

5. 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

6. 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.

In preparing the financial statements, the management and 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 consolidated financial statements**

7. 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

8. We did not audit the standalone financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 79,246.49 lakhs, total revenues (including other income) of ₹ 1,20,787.20 lakhs, share of total profit after tax amounting to ₹ 3,936.68 lakhs and net cash outflow amounting to ₹ 298.00 lakhs for the year ended 31st March, 2024 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.
9. 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, 2024. 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.

## Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors; 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. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31st March, 2024 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;
  - f. 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 requirement 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;
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

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;
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on 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 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.

Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. The said rule is not applicable to subsidiaries of the Holding Company as they are incorporated outside India.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

11. With respect to the matters specified in paragraphs 3(xxi) 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

**Bhavin Kapadia**  
Partner  
Membership No.: 118991  
UDIN.: 24118991BKFQUZ1358

Place: Mumbai  
Date: 22nd May, 2024



## **Annexure I to Independent Auditor's Report for the year ended 31st March, 2024**

**[Referred to 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, 2024, 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, 2024, 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

**Bhavin Kapadia**

Partner

Membership No.: 118991

UDIN.: 24118991BKFQUZ1358

Place: Mumbai

Date: 22nd May, 2024

# Consolidated Balance Sheet as at 31st March, 2024

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

| Particulars  | Note No.     | As at 31st March, 2024 | As at 31st March, 2023 |
|--|--------------|------------------------|------------------------|
| <b>I. ASSETS</b>   |              |                        |                        |
| <b>Non-current assets</b>  |              |                        |                        |
| (a) Property, plant and equipment  | 3            | 1,12,514.04            | 1,19,612.44            |
| (b) Right of use assets  | 4            | 6,928.65               | 5,899.14               |
| (c) Capital work-in-progress   | 3            | 12,271.45              | 14,745.42              |
| (d) Goodwill   | 3            | 154.51                 | 154.51                 |
| (e) Other intangible assets  | 3            | -                      | -                      |
| (f) Financial assets   |              |                        |                        |
| (i) Investments  | 6            | 2.00                   | 16.09                  |
| (ii) Loans   | 7            | 12.96                  | 12.76                  |
| (iii) Other financial assets   | 8            | 589.24                 | 631.57                 |
| (g) Deferred tax assets (net)  | 9            | 677.53                 | 1,011.27               |
| (h) Other non-current assets   | 10           | 14,033.30              | 18,034.08              |
|  |              | <b>1,47,183.68</b>     | <b>1,60,117.28</b>     |
| <b>Current assets</b>  |              |                        |                        |
| (a) Inventories  | 11           | 70,467.62              | 62,522.93              |
| (b) Financial assets   |              |                        |                        |
| (i) Investments  | 12           | 133.86                 | 153.56                 |
| (ii) Trade receivables   | 13           | 61,039.87              | 58,862.17              |
| (iii) Cash and bank balances   | 14           |                        |                        |
| Cash & cash equivalents  |              | 15,091.24              | 18,375.22              |
| Other bank balances  |              | 341.02                 | 161.07                 |
| (iv) Loans   | 15           | 3.73                   | 5.62                   |
| (v) Other financial assets   | 16           | 23.09                  | 170.69                 |
| (c) Other current assets   | 17           | 22,315.52              | 18,595.25              |
|  |              | <b>1,69,415.95</b>     | <b>1,58,846.51</b>     |
| <b>Non-current assets held for sale</b>  | <b>5</b>     | <b>334.78</b>          | <b>341.10</b>          |
| <b>TOTAL ASSETS</b>  |              | <b>3,16,934.41</b>     | <b>3,19,304.89</b>     |
| <b>II. EQUITY AND LIABILITIES</b>  |              |                        |                        |
| <b>Equity</b>  |              |                        |                        |
| (a) Equity share capital   | 18           | 1,408.12               | 1,408.12               |
| (b) Other equity   | 19           | 2,34,833.76            | 2,42,122.29            |
|  |              | <b>2,36,241.88</b>     | <b>2,43,530.41</b>     |
| <b>Liabilities</b>   |              |                        |                        |
| <b>Non-current liabilities</b>   |              |                        |                        |
| (a) Financial liabilities  |              |                        |                        |
| (i) Borrowings   | 20           | 3,822.21               | 6,364.90               |
| (ii) Lease liabilities   | 21           | 2,415.26               | 1,149.31               |
| (b) Provisions   | 22           | 3,580.23               | 4,190.69               |
| (c) Deferred tax liabilities (net)   | 23           | -                      | -                      |
| (d) Other non-current liabilities  | 24           | 86.96                  | 109.50                 |
|  |              | <b>9,904.66</b>        | <b>11,814.40</b>       |
| <b>Current liabilities</b>   |              |                        |                        |
| (a) Financial liabilities  |              |                        |                        |
| (i) Borrowings   | 25           | 18,092.71              | 23,374.35              |
| (ii) Lease liabilities   | 21           | 421.24                 | 515.95                 |
| (iii) Trade payables   | 26           |                        |                        |
| Total outstanding dues of micro enterprises and small enterprises                      |              | 349.13                 | 551.31                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |              | 29,587.79              | 28,517.29              |
| (iv) Other financial liabilities   | 27           | 2,917.27               | 4,561.86               |
| (b) Other current liabilities  | 28           | 5,613.79               | 5,189.43               |
| (c) Provisions   | 29           | 13,585.24              | 1,200.75               |
| (d) Current tax liabilities (net)  |              | 220.70                 | 49.14                  |
|  |              | <b>70,787.87</b>       | <b>63,960.08</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |              | <b>3,16,934.41</b>     | <b>3,19,304.89</b>     |
| <b>Material accounting policies &amp; notes</b>  | <b>1- 62</b> |                        |                        |

## 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

**Bhavin Kapadia**

Partner

Membership No.: 118991

Place: Mumbai

Date: 22nd May, 2024

## For and on behalf of the Board of Directors

**Dr. Prakash A. Mody**

Non-Independent Chairman (DIN: 00001285)

**Pranay Godha**

Non-Executive, Non-Independent Director (DIN: 00016525)

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sandip Ghume**

Deputy Chief Financial Officer

**Pradeep Bhandari**

Head - Legal & Company Secretary

# Consolidated Statement of Profit and Loss for the year ended 31st March, 2024

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

| Particulars  | Note No.     | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|--|--------------|-------------------------------------|-------------------------------------|
| I Revenue from operations  | 30           | 1,70,489.47                         | 1,34,302.22                         |
| II Other income  | 31           | 3,159.54                            | 3,851.51                            |
| <b>III Total Income (I+II)</b>   |              | <b>1,73,649.01</b>                  | <b>1,38,153.73</b>                  |
| <b>IV EXPENSES</b>   |              |                                     |                                     |
| Cost of materials consumed   | 32           | 74,280.44                           | 53,219.93                           |
| Purchases of Stock-in-Trade  |              | 91.09                               | 152.65                              |
| Changes in inventories of finished goods and work-in-progress  | 32           | (7,909.05)                          | 1,720.09                            |
| Employee benefits expense  | 33           | 39,305.77                           | 35,641.05                           |
| Finance costs  | 34           | 2,266.12                            | 1,731.25                            |
| Impairment loss on financial assets  | 35           | -                                   | 341.72                              |
| Depreciation and amortisation expense  | 3,4          | 11,324.05                           | 11,344.37                           |
| Other expenses   | 36           | 54,696.43                           | 47,782.32                           |
| <b>Total expenses (IV)</b>   |              | <b>1,74,054.85</b>                  | <b>1,51,933.38</b>                  |
| <b>V Profit / (Loss) before share of profit / (loss) in associate (III - IV)</b>                     |              | <b>(405.84)</b>                     | <b>(13,779.65)</b>                  |
| VI Share of profit / (loss) in associate (net of tax)  |              | -                                   | -                                   |
| <b>VII Profit / (Loss) before exceptional items and tax (V+VI)</b>                                   |              | <b>(405.84)</b>                     | <b>(13,779.65)</b>                  |
| VIII Exceptional items - expenses  | 36.2         | 5,760.77                            | 3,856.64                            |
| <b>IX Profit / (Loss) before tax (VII-VIII)</b>  |              | <b>(6,166.61)</b>                   | <b>(17,636.29)</b>                  |
| X Tax expense:   |              |                                     |                                     |
| (1) Current tax  | 23           | 794.49                              | 1,105.63                            |
| (2) Deferred tax charge / (credit)   | 9,23         | 86.33                               | 1,534.98                            |
| (3) Short / (Excess) provision for tax (earlier years)   | 23           | -                                   | (54.14)                             |
|  |              | <b>880.82</b>                       | <b>2,586.47</b>                     |
| <b>XI Profit / (Loss) for the year (IX-X)</b>  |              | <b>(7,047.43)</b>                   | <b>(20,222.76)</b>                  |
| 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  |              | (27.38)                             | 224.63                              |
| - Equity instruments through other comprehensive income  |              | -                                   | 1,586.82                            |
| (ii) Income tax (expense) / credit relating to items that will not be reclassified to profit or loss |              |                                     |                                     |
| - Remeasurement of the net defined benefit plan  |              | -                                   | -                                   |
| - Equity instruments through other comprehensive income (net)  |              | -                                   | 2,061.22                            |
| B (i) Items that will be reclassified to profit or loss  |              |                                     |                                     |
| - Foreign currency translation difference  |              | (494.66)                            | 719.82                              |
| - Gain / (Loss) on cash flow hedge   |              | (25.37)                             | -                                   |
| (ii) Income tax relating to items that will be reclassified to profit or loss                        |              |                                     |                                     |
| - Foreign currency translation difference  |              | -                                   | -                                   |
| - Gain / (Loss) on cash flow hedge   |              | -                                   | -                                   |
| <b>Total of Other Comprehensive Income</b>   |              | <b>(547.41)</b>                     | <b>4,592.49</b>                     |
| <b>XIII Total Comprehensive Income for the year (XI+XII)</b>   |              | <b>(7,594.84)</b>                   | <b>(15,630.27)</b>                  |
| <b>XIV Earnings per equity share (face value of ₹ 2 each)</b>  | <b>46</b>    |                                     |                                     |
| (1) Basic  |              | (10.01)                             | (28.72)                             |
| (2) Diluted  |              | (10.01)                             | (28.72)                             |
| <b>Material accounting policies &amp; notes</b>  | <b>1- 62</b> |                                     |                                     |

## 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

**Bhavin Kapadia**

Partner

Membership No.: 118991

Place: Mumbai

Date: 22nd May, 2024

## For and on behalf of the Board of Directors

**Dr. Prakash A. Mody**

Non-Independent Chairman (DIN: 00001285)

**Pranay Godha**

Non-Executive, Non-Independent Director (DIN: 00016525)

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sandip Ghume**

Deputy Chief Financial Officer

**Pradeep Bhandari**

Head - Legal & Company Secretary

# Consolidated Statement of Changes in Equity for the year ended 31st March, 2024

CIN: L99999MH1962PLC012451

## A. Equity Share Capital

| Particulars  | 2023-2024     |                     | 2022-2023     |                     |
|--|---------------|---------------------|---------------|---------------------|
|  | 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 | Gain/(Loss) on cash flow hedge | Equity instrument through OCI | Exchange differences on translating the financial statements of a foreign operation |                    |
| <b>Balance at 31st March, 2022</b>              | <b>1,067.81</b>                            | <b>133.02</b>        | <b>1,246.00</b>            | <b>2,50,608.11</b> | <b>(886.72)</b>                         | -                              | <b>8,533.38</b>               | <b>(268.62)</b>   | <b>2,60,432.98</b> |
| 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)                   | -   | -                  |
| <b>Balance at 31st March, 2023</b>              | <b>1,204.53</b>                            | <b>133.02</b>        | <b>1,246.00</b>            | <b>2,39,750.54</b> | <b>(662.09)</b>                         | -                              | -                             | <b>450.29</b>   | <b>2,42,122.29</b> |
| Profit / (Loss) for the year                    | -  | -                    | -                          | (7,047.43)         | -                                       | -                              | -                             | -   | (7,047.43)         |
| Other Comprehensive Income for the year         | -  | -                    | -                          | -                  | (27.38)                                 | (25.37)                        | -                             | (494.67)  | (547.42)           |
| Recognition of share-based payment (ESOP) (net) | 306.32                                     | -                    | -                          | -                  | -                                       | -                              | -                             | -   | 306.32             |
| Transfer to retained earnings                   | (1,204.53)                                 | -                    | -                          | 1,204.53           | -                                       | -                              | -                             | -   | -                  |
| <b>Balance at 31st March, 2024</b>              | <b>306.32</b>                              | <b>133.02</b>        | <b>1,246.00</b>            | <b>2,33,907.64</b> | <b>(689.47)</b>                         | <b>(25.37)</b>                 | -                             | <b>(44.38)</b>  | <b>2,34,833.76</b> |

### Material accounting policies & notes

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### Notes to Accounts form an integral part of consolidated financial statements

**Employee stock options 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 19.1.

**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.
- The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognized and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basic adjustment to the non-financial hedged item.
- 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

**Bhavin Kapadia**

Partner

Membership No.: 118991

Place: Mumbai

Date: 22nd May, 2024

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

**Dr. Prakash A. Mody**

Non-Independent Chairman (DIN: 00001285)

**Pranay Godha**

Non-Executive, Non-Independent Director (DIN: 00016525)

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sandip Ghume**

Deputy Chief Financial Officer

**Pradeep Bhandari**

Head - Legal & Company Secretary

# Consolidated Statement of Cash Flows for the year ended 31st March, 2024

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|--|--|--|
| <b>A. Cash Flow from Operating Activities</b>  |  |  |
| <b>Net Profit / (loss) before tax</b>  | <b>(6,166.61)</b>                      | <b>(17,636.29)</b>                     |
| Adjustments:   |  |  |
| Depreciation / amortisation  | 11,324.05                              | 11,344.37                              |
| Loss / (profit) on sale / discard of property, plant and equipment (net)   | (485.88)                               | (128.27)                               |
| Unrealised exchange difference (gain) / loss (net)   | (99.94)                                | 265.60                                 |
| Rent income  | (0.10)                                 | (0.10)                                 |
| Finance cost   | 2,266.12                               | 1,731.25                               |
| Provision for doubtful debts, loans, advances & deposits (net)   | 63.88                                  | 89.18                                  |
| Share-based payment to employees   | 308.46                                 | 104.93                                 |
| Fair value (gain) / loss on investments (net)  | (644.27)                               | (904.94)                               |
| Net (gain) / loss on sales of shares   | (6,478.91)                             | 502.24                                 |
| Interest income  | (67.26)                                | (51.62)                                |
| Sundry balances written off / (written back)   | (8.77)                                 | (9.36)                                 |
| Provision for European commission fine   | 12,562.25                              | -                                      |
| Impairment loss allowance in value of investments in subsidiary<br>- inter-corporate deposits and interest thereon | -                                      | 341.72                                 |
| Dividend income  | (0.43)                                 | (0.59)                                 |
|  | <b>18,739.20</b>                       | <b>13,284.41</b>                       |
| Operating Profit / (Loss) before working capital changes   | <b>12,572.59</b>                       | <b>(4,351.88)</b>                      |
| Working capital Adjustments:   |  |  |
| Trade receivables and other assets   | (1,638.32)                             | (12,361.46)                            |
| Inventories  | (7,944.69)                             | (2,500.78)                             |
| Trade payable and other liabilities  | (682.10)                               | 11,926.11                              |
|  | <b>(10,265.11)</b>                     | <b>(2,936.13)</b>                      |
| Cash Generated from / (used in) operations   | <b>2,307.48</b>                        | <b>(7,288.01)</b>                      |
| Direct taxes refund received / (payment made)  | <b>(638.08)</b>                        | <b>(1,221.06)</b>                      |
| <b>Net Cash Flow from / (used in) Operating Activities</b>   | <b>A</b>                               | <b>(8,509.07)</b>                      |
| <b>B. Cash Flow from Investing Activities</b>  |  |  |
| Purchase of property, plant and equipment including Capital WIP  | (2,254.73)                             | (4,431.57)                             |
| Proceeds from sale of property, plant and equipment  | 894.10                                 | 637.39                                 |
| Sale of current investment (net)   | 6,507.68                               | 23,651.03                              |
| Sale of non current investment (quoted equity shares)  | 16.21                                  | -                                      |
| Rent received  | 0.10                                   | 0.10                                   |
| (Increase) / decrease in escrow bank accounts  | (179.95)                               | 329.52                                 |
| Interest received  | 56.59                                  | 94.27                                  |
| Dividend received  | 0.43                                   | 0.59                                   |
| <b>Net cash flow from / (used in) Investing Activities</b>   | <b>B</b>                               | <b>20,281.33</b>                       |
| <b>C. Cash Flow from Financing Activities</b>  |  |  |
| Increase / (decrease) in working capital borrowings (net)  | (5,281.64)                             | (769.25)                               |
| Repayments of long term borrowings   | (2,566.32)                             | (2,566.32)                             |
| Payments of Lease liabilities  | (539.68)                               | (340.00)                               |
| Finance cost paid  | (2,222.14)                             | (1,628.97)                             |
| Dividend paid  | (21.35)                                | (2,825.45)                             |
| <b>Net cash flow from / (used in) Financing Activities</b>   | <b>C</b>                               | <b>(8,129.99)</b>                      |
| <b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>  | <b>(3,921.30)</b>                      | <b>3,642.27</b>                        |
| Add: Current Investments reclassified as cash and cash equivalents during the year                                 | -                                      | 3,638.01                               |
| <b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>  | <b>(3,921.30)</b>                      | <b>7,280.28</b>                        |
| <b>Cash and Cash Equivalents at the beginning of the year</b>  | <b>18,375.22</b>                       | <b>10,919.63</b>                       |
| Effect of fair value gain / (loss) on liquid mutual Funds  | 637.32                                 | 175.31                                 |
| <b>Cash and Cash Equivalents at end of the year</b>  | <b>15,091.24</b>                       | <b>18,375.22</b>                       |
| <b>Material accounting policies &amp; notes</b>  | <b>1- 62</b>                           |  |

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

(₹ in Lakhs)

| Particulars  | 1st April, 2023 | Cash inflows / (outflows) | Non cash changes | 31st March, 2024 |
|--|-----------------|---------------------------|------------------|------------------|
| Borrowings - non cash changes arising out of exchange rate fluctuations                  | 29,739.25       | (3,535.43)                | (4,288.90)       | 21,914.92        |
| Lease liabilities - non cash changes arising out of unwinding & additions of liabilities | 1,665.26        | (539.68)                  | 1,710.92         | 2,836.50         |
| 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         |

## 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

**Bhavin Kapadia**

Partner

Membership No.: 118991

Place: Mumbai

Date: 22nd May, 2024

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

**Dr. Prakash A. Mody**

Non-Independent Chairman (DIN: 00001285)

**Pranay Godha**

Non-Executive, Non-Independent Director (DIN: 00016525)

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sandip Ghume**

Deputy Chief Financial Officer

**Pradeep Bhandari**

Head - Legal & Company Secretary

# Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024

## 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                    |
|---|---------------------------|---|
| <b>Subsidiaries (having 100% of ownership interest)</b>           |                           |   |
| 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                         |
| <b>Associate</b>  |                           |   |
| Synchron Research Services Pvt. Ltd.                              | India                     | Technical Testing and Analysis Services |
| (Proportion of equity holding – 32.11%)                           |                           |   |

\* 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, 2024 were approved and adopted by the Board of Directors in their meeting dated 22nd May, 2024.

## 2. Material 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. Further, in accordance with the amendments to the Companies (Indian Accounting Standards) Rules, 2023, the company has disclosed material accounting policies as against the significant accounting policies. Considering the nature of transactions and business operation of the Company, accounting policies related to discontinued operations, investment property and share capital are not forming part of material accounting policies.

### 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 associate's 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. 2.12 and 3)
- iv) Impairment of Property, plant and equipment and Capital work-in-progress (refer note no. 2.14 and 3)
- v) Estimation of provisions and contingent liabilities (refer note no. 2.19, 29, 38 and 39)
- vi) Estimation of defined benefit plan and other long term benefits (refer note no. 2.20, 22, 29 and 49)
- vii) Fair value measurement and impairment of financial instruments (refer note no. 2.29 and 52)
- viii) Recognition of "Right of use" of assets as per the requirement of Ind AS 116 (refer note no. 2.17, 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.

## 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.

During the year ended 31st March, 2024, the Company has changed its method of depreciation to straight-line method for all the class of assets which were previously being depreciated on written down value method. This change is made to align the method of depreciation with that of its parent Company.

Consequent to this change, depreciation is provided on all assets (other than free hold land and capital work-in-progress), on pro-rata basis, using Straight-Line method based on the respective estimate of useful lives.

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 equipment [other than below ]   | 10* to 15 years *in case of one subsidiary it is 3 years |
| Plant and equipment [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 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.

## 2.11. 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.

## 2.12. 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.

## 2.13. Non-Current assets held for sale

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.

#### **2.14. 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.

#### **2.15. 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.

#### **2.16. 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).

#### **2.17. 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. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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.

## 2.18. Inventories

Inventories consists of raw materials, packing materials, stores and spares, stock-in-trade, work-in-progress and finished goods. Inventories of raw material, 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.

## 2.19. 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.

## 2.20. 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.

## 2.21. 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-Merton option pricing 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/surrendered by the employees.

## 2.22. 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.

## 2.23. 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.

## 2.24. 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.

#### **2.25. 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.

#### **2.26. 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.

#### **2.27. 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.

#### **2.28. 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.

#### **2.29. 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.

#### **Derivative financial instruments and hedge accounting**

##### **Initial recognition and subsequent measurement**

The Company uses derivative financial instruments such as forward currency contracts, interest rate swaps to hedge its foreign currency risks, interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the Statement of Profit and Loss.

##### **Cash flow hedge**

The company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

## **2.30. Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards of amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not modified any new standards or amendments to the existing standards applicable to the Company.

### 3 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

| Particulars   | Property, Plant & Equipment |             |                   |                     |          |                  |             | Goodwill | Other Intangible Assets |                  | Total intangible assets | Capital work-in-progress |
|---|-----------------------------|-------------|-------------------|---------------------|----------|------------------|-------------|----------|-------------------------|------------------|-------------------------|--------------------------|
|   | Freehold land               | Buildings * | Plant & equipment | Furniture & fixture | Vehicles | Office equipment | Total       |          | Software licenses       | Product licenses |                         |                          |
| <b>Gross carrying value, at cost</b>                        |                             |             |                   |                     |          |                  |             |          |                         |                  |                         |                          |
| <b>As at 31st March, 2022</b>                               | 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 and 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                |
| <b>As at 31st March, 2023</b>                               | 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                |
| Additions   | -                           | 364.66      | 3,631.80          | 7.66                | -        | 19.25            | 4,023.37    | -        | -                       | -                | -                       | 1,472.00                 |
| Disposal & Exchange gain / loss                             | -                           | 294.00      | 37.87             | 155.92              | 241.67   | 49.49            | 778.95      | -        | 0.62                    | (5.51)           | (4.89)                  | -                        |
| Capitalisation  | -                           | -           | -                 | -                   | -        | -                | -           | -        | -                       | -                | -                       | 3,945.97                 |
| <b>As at 31st March, 2024</b>                               | 378.01                      | 51,080.86   | 1,15,731.74       | 1,783.34            | 227.77   | 1,300.78         | 1,70,502.50 | 154.51   | 434.83                  | 706.56           | 1,295.90                | 12,271.45                |
| <b>Accumulated Depreciation / Amortisation / Impairment</b> |                             |             |                   |                     |          |                  |             |          |                         |                  |                         |                          |
| <b>As at 31st March, 2022</b>                               | -                           | 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 / held for sale & Exchange gain / loss             | -                           | (23.74)     | 968.38            | 26.77               | 13.48    | 11.36            | 996.25      | -        | -                       | (44.68)          | (44.68)                 | -                        |
| <b>As at 31st March, 2023</b>                               | -                           | 9,504.84    | 35,848.28         | 982.80              | 288.95   | 1,020.77         | 47,645.64   | -        | 435.45                  | 701.05           | 1,136.50                | -                        |
| Charge for the year - Depreciation & amortisation **        | -                           | 1,881.50    | 8,545.61          | 170.47              | 25.64    | 120.32           | 10,743.54   | -        | -                       | -                | -                       | -                        |
| Disposal & Exchange gain / loss                             | -                           | 63.41       | 22.53             | 147.20              | 122.76   | 44.82            | 400.72      | -        | 0.62                    | (5.51)           | (4.89)                  | -                        |
| <b>As at 31st March, 2024</b>                               | -                           | 11,322.93   | 44,371.36         | 1,006.07            | 191.83   | 1,096.27         | 57,988.46   | -        | 434.83                  | 706.56           | 1,141.39                | -                        |
| <b>Net book value</b>                                       |                             |             |                   |                     |          |                  |             |          |                         |                  |                         |                          |
| <b>As at 31st March, 2024</b>                               | 378.01                      | 39,757.93   | 71,360.38         | 777.27              | 35.94    | 204.51           | 1,12,514.04 | 154.51   | -                       | -                | 154.51                  | 12,271.45                |
| <b>As at 31st March, 2023</b>                               | 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                |

\* Buildings include one Flat amounting to ₹ 97.16 Lakhs (P.Y. ₹ 97.16 Lakhs) where the co-operative society is yet to be formed.

\*\* During the year ended 31st March, 2024, the Company has changed its method of depreciation to straight-line method for all the class of assets which were previously being depreciated on written down value method. This change is made to align the method of depreciation with that of its parent Company, due to which the depreciation for the current year is lower by ₹ 262.46 lakhs.

#### Notes:

- Building includes cost of shares in co-operative societies ₹ Nil (P.Y. ₹ 0.56 lakhs)
- Capital work-in-progress includes ₹ 4,231.49 lakhs (P.Y. ₹ 4,646.37 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 ₹ 179.30 lakhs (P.Y. ₹ 1,025.07 lakhs) being expenditure on Research and Development as under:

(₹ in Lakhs)

| Assets Description         | 2023-2024     | 2022-2023       |
|----------------------------|---------------|-----------------|
| Buildings                  | 23.82         | -               |
| Plant and Machinery        | 128.23        | 288.70          |
| Furniture and Fixtures     | -             | 3.11            |
| Office Equipment           | 0.19          | -               |
| Capital Work- in- Progress | 27.06         | 733.26          |
| <b>Total</b>               | <b>179.30</b> | <b>1,025.07</b> |

- Ageing of Capital work-in-progress:  
CWIP ageing schedule as at 31st March, 2024

(₹ 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           | 646.21                         | 756.02    | 763.86    | 10,105.36         | 12,271.45 |
| Projects temporarily suspended | -                              | -         | -         | -                 | -         |

Closing CWIP as at 31st March, 2024, 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, 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 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&amp;L account:

(₹ in Lakhs)

| Particulars                    | 2023-2024        | 2022-2023        |
|--------------------------------|------------------|------------------|
| Property, Plant and Equipments | 10,743.54        | 10,763.51        |
| Right of use assets            | 580.51           | 580.86           |
| <b>Total</b>                   | <b>11,324.05</b> | <b>11,344.37</b> |

## 9. Borrowing cost :

- (a) In accordance with Ind AS 23, the borrowing cost of ₹ Nil (P.Y. ₹ 112.48 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 Nil (P.Y. 6.75% to 7.15%).

## 4 RIGHT OF USE ASSETS

Following are the changes in the carrying value of right of use assets:

(₹ in Lakhs)

| Particulars                         | Category of ROU assets |                 |                 |                 |                 |                 |
|-------------------------------------|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                     | 2023-2024              |                 |                 | 2022-2023       |                 |                 |
|                                     | Leasehold Land         | Buildings       | Total           | Leasehold Land  | Buildings       | Total           |
| <b>Opening Balance</b>              | <b>5,082.54</b>        | <b>816.60</b>   | <b>5,899.14</b> | <b>5,221.89</b> | <b>1,178.12</b> | <b>6,400.01</b> |
| Additions                           | -                      | 1,696.00        | <b>1,696.00</b> | 46.58           | 104.10          | <b>150.68</b>   |
| Deletions / Exchange Gain / (Loss)* | (48.73)                | (37.25)         | <b>(85.98)</b>  | -               | (70.69)         | <b>(70.69)</b>  |
| Depreciation                        | (184.78)               | (395.73)        | <b>(580.51)</b> | (185.93)        | (394.93)        | <b>(580.86)</b> |
| <b>Closing Balance</b>              | <b>4,849.03</b>        | <b>2,079.62</b> | <b>6,928.65</b> | <b>5,082.54</b> | <b>816.60</b>   | <b>5,899.14</b> |

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 24-82 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.

\* Net of adjustments in leasehold land on account of modifications

## 5 NON CURRENT ASSETS HELD FOR SALE

The company had classified its Investment Property as held for sale since FY 21-22. This is valued at the lower of its carrying amount and fair value less cost to sell. The Company is expecting to dispose off this asset 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, 2024, the carrying value of 'asset held for sale' is ₹ 334.78 lakhs (P.Y. ₹ 341.10 lakhs) after being written down by a loss of ₹ 6.32 lakhs (P.Y. ₹ 6.31 lakhs) which has been charged off to statement of profit and loss.

## 6 INVESTMENTS ( NON-CURRENT )

## 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, 2024 | 31st March, 2023 |            | 31st March, 2024 | 31st March, 2023 |
| (i) <b>At Cost :</b>                                |                  |                  |            |                  |                  |
| <b>UNQUOTED</b>                                     |                  |                  |            |                  |                  |
| <b>Equity Instruments of Associate (fully paid)</b> |                  |                  |            |                  |                  |
| Synchron Research Services Private Limited          | 2,08,333         | 2,08,333         | ₹ 10       | 487.13           | 487.13           |
| Add: Share in Profit / (Loss) after tax             |                  |                  |            | -                | -                |
| Less: Impairment in value of investments            |                  |                  |            | (487.13)         | (487.13)         |
| <b>Total of Investments measured at cost</b>        |                  |                  |            | <b>-</b>         | <b>-</b>         |



## 6.2 Investments (Non current)

| Particulars   | No. of Shares             |                           | Face value | (₹ in Lakhs)              |                           |
|---|---------------------------|---------------------------|------------|---------------------------|---------------------------|
|   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |            | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>(I) At fair value through profit and loss (FVTPL)</b>                  |                           |                           |            |                           |                           |
| <b>UNQUOTED</b>   |                           |                           |            |                           |                           |
| <b>Equity Instruments (fully paid)</b>                                    |                           |                           |            |                           |                           |
| Shivalik Solid Waste Management Limited<br>* (includes 2500 bonus shares) | 22,500*                   | 20,000                    | ₹ 10       | 2.00                      | 2.00                      |
| <b>Sub Total</b>  |                           |                           |            | <b>2.00</b>               | <b>2.00</b>               |
| <b>QUOTED</b>   |                           |                           |            |                           |                           |
| <b>Equity Instruments (fully paid)</b>                                    |                           |                           |            |                           |                           |
| Jindal Polyfilm Limited   | -                         | 2,000                     | ₹ 10       | -                         | 10.02                     |
| Jindal Poly Investment and Finance<br>Company Ltd.                        | -                         | 500                       | ₹ 10       | -                         | 2.21                      |
| Aurobindo Pharma Ltd.   | -                         | 8                         | ₹ 1        | -                         | 0.04                      |
| Universus Photo Imagings Ltd.   | -                         | 500                       | ₹ 10       | -                         | 1.82                      |
| Kothari Industrial Corporation Ltd.                                       | 20                        | 20                        | ₹ 5        | -                         | -                         |
| <b>Sub Total</b>  |                           |                           |            | -                         | <b>14.09</b>              |
| <b>Total of investment measured at FVTPL</b>                              |                           |                           |            | <b>2.00</b>               | <b>16.09</b>              |
| 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                     |
| Aggregate market value of quoted investments                              |                           |                           |            | -                         | 14.09                     |

## 7 LOANS (NON-CURRENT)

(₹ in Lakhs)

| Particulars                       | As at            | As at            |
|-----------------------------------|------------------|------------------|
|                                   | 31st March, 2024 | 31st March, 2023 |
| <b>Unsecured, considered good</b> |                  |                  |
| Loans to Employees                | 12.96            | 12.76            |
| <b>Total</b>                      | <b>12.96</b>     | <b>12.76</b>     |

## 8 OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Lakhs)

| Particulars                            | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2024 | 31st March, 2023 |
| Deposits                               |                  |                  |
| Considered Good                        | 589.24           | 631.57           |
| Considered Doubtful                    | 53.53            | 53.53            |
| Less : Allowance for Doubtful deposits | (53.53)          | (53.53)          |
|  | 589.24           | 631.57           |
| <b>Total</b>                           | <b>589.24</b>    | <b>631.57</b>    |

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% of the principal amount and interest accrued thereon. Refer note 35 & 16.

## 9 DEFERRED TAX ASSETS

(₹ in Lakhs)

| Particulars               | As at            | As at            |
|---------------------------|------------------|------------------|
|                           | 31st March, 2024 | 31st March, 2023 |
| Deferred tax assets (net) | 677.53           | 1,011.27         |
| <b>Total</b>              | <b>677.53</b>    | <b>1,011.27</b>  |

### 9.1 The deferred tax asset comprises of:

| Particulars   | As at            | Charge/(credit) | As at            |
|---|------------------|-----------------|------------------|
|   | 31st March, 2024 | for the year    | 31st March, 2023 |
| <b>Deferred Tax Assets</b>                                      |                  |                 |                  |
| Unrealised profits (net) on account of Intra-group eliminations | -                | -               | -                |
| Capitalized development stage costs                             | 32.49            | 8.59            | 41.08            |
| Exchange difference for the year                                | -                | -               | -                |
| Depreciation / Amortisation                                     | (66.64)          | 14.89           | (51.75)          |
| Others  | 711.68           | 310.26          | 1,021.94         |
| <b>Total</b>  | <b>677.53</b>    | <b>333.74</b>   | <b>1,011.27</b>  |

| Particulars   | As at<br>31st March, 2023 | Charge/(credit)<br>for the year | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------------|---------------------------|
| <b>Deferred Tax Assets</b>                                      |                           |                                 |                           |
| 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 / Amortization                                     | (51.75)                   | (8.08)                          | (59.83)                   |
| Others  | 1,021.94                  | (597.04)                        | 424.90                    |
| <b>Total</b>  | <b>1,011.27</b>           | <b>(575.76)</b>                 | <b>435.51</b>             |

9.2 In case of certain subsidiaries, deferred tax asset has not been recognised on unused tax losses of ₹ 17,224.01 lakhs (P.Y. ₹ 18,980.23 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 ₹ 34,152.18 lakhs (P.Y. ₹ 27,552.99 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.

## 10 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| Capital advances<br>[Net of provision for Doubtful advances ₹ 35.86 lakhs (P.Y. ₹ 42.18 lakhs)] | 706.60                    | 668.78                    |
| Payments to European Commission (refer note 39)   | 2,144.86                  | 1,871.65                  |
| Balance with government authorities (including refund receivable)                               | 10,534.98                 | 14,861.94                 |
| Advance income tax (net of provision)   | 646.86                    | 631.71                    |
| <b>Total</b>  | <b>14,033.30</b>          | <b>18,034.08</b>          |

## 11 INVENTORIES

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| Raw Materials<br>[Include ₹ 786.53 lakhs in transit, (P.Y. ₹ 2,346.06 lakhs)]  | 26,939.18                 | 27,702.84                 |
| Packing Materials<br>[Include ₹ 18.06 lakhs in transit, (P.Y. ₹ 165.64 lakhs)] | 3,289.05                  | 2,679.00                  |
| Work-in-Progress   | 10,272.83                 | 8,138.07                  |
| Finished Goods<br>[Include ₹ 175.54 lakhs in transit, (P.Y. ₹ 599.38 lakhs)]   | 28,390.50                 | 22,616.21                 |
| Stores and Spares  | 1,576.06                  | 1,386.81                  |
| <b>Total</b>   | <b>70,467.62</b>          | <b>62,522.93</b>          |

11.1 During the year ended 31st March, 2024, ₹ 1,706.77 lakhs (P.Y. ₹ 2,137.30 lakhs) was recognised as an expense for inventories carried at net realisable value.

11.2 Refer note 2.18 of accounting policy for inventory valuation.

## 12 INVESTMENTS ( CURRENT )

| Particulars  | No. of Units              |                           | (₹ in Lakhs)              |                           |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
|  | As at<br>31st March, 2024 | As at<br>31st March, 2023 | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>At fair value through profit and loss (FVTPL)</b>   |                           |                           |                           |                           |
| <b>QUOTED</b>  |                           |                           |                           |                           |
| <b>INVESTMENT IN MUTUAL FUNDS</b>                      |                           |                           |                           |                           |
| SBI Liquid Fund Direct Growth*                         | 3,542                     | 3,542                     | 133.86                    | 124.79                    |
| <b>Subtotal</b>  |                           |                           | <b>133.86</b>             | <b>124.79</b>             |
| <b>UNQUOTED</b>  |                           |                           |                           |                           |
| <b>Equity Instruments (fully paid)</b>                 |                           |                           |                           |                           |
| Optimus Drugs Private Limited (refer note 12.2)        | -                         | 4,918                     | -                         | 28.77                     |
| <b>Subtotal</b>  |                           |                           | <b>-</b>                  | <b>28.77</b>              |
| <b>Total of Investments measured at FVTPL</b>          |                           |                           | <b>-</b>                  | <b>153.56</b>             |
| <b>Total</b>   |                           |                           | <b>133.86</b>             | <b>153.56</b>             |
| Aggregate carrying value of unquoted investments       |                           |                           | -                         | -                         |
| Aggregate amount of impairment in value of investments |                           |                           | -                         | -                         |
| Aggregate carrying value of quoted investments         |                           |                           | 133.86                    | 124.79                    |
| Aggregate market value of quoted investments           |                           |                           | 133.86                    | 124.79                    |

\* 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 as at 31st March, 2023 were classified as Fair Value through Profit and Loss. This is based on the fair valuation report obtained during the year ended 31st March, 2023. During the year ended 31st March, 2024, as per the SPA, the Company has sold off such balance equity shares and the resultant net gain is ₹ 6,478.91 lakhs is disclosed as Exceptional Item.

### 13 TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars                         | As at            | As at            |
|-------------------------------------|------------------|------------------|
|                                     | 31st March, 2024 | 31st March, 2023 |
| Unsecured                           |                  |                  |
| Considered good                     | 61,039.87        | 58,862.17        |
| Considered Doubtful                 | 342.98           | 295.19           |
| Less : Allowance for Doubtful debts | (342.98)         | (295.19)         |
| <b>Total</b>                        | <b>61,039.87</b> | <b>58,862.17</b> |

The movement in allowance for doubtful receivables is as follows :

(₹ in Lakhs)

| Particulars   | 2023-2024     | 2022-2023     |
|---|---------------|---------------|
| <b>Opening balance</b>  | <b>295.19</b> | <b>319.83</b> |
| Add : Allowance for doubtful receivables made during the year               | 47.79         | -             |
| Less : Allowance for doubtful receivables reversed/utilised during the year | -             | (24.64)       |
| <b>Closing balance</b>  | <b>342.98</b> | <b>295.19</b> |

#### 13.1 Trade receivables ageing schedule - Current: As at 31st March, 2024

(₹ 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      | 12,460.19  | 44,411.54          | 4,175.01          | 150.27        | 12.71        | 43.49             | <b>61,253.21</b> |
| (ii) Undisputed Trade receivables – considered doubtful | -  | -                  | -                 | -             | 42.61        | 21.05             | <b>63.66</b>     |
| (iii) Disputed Trade receivables – considered good      | -  | -                  | -                 | -             | -            | -                 | -                |
| (iv) Disputed Trade receivables – considered doubtful   | -  | -                  | -                 | -             | -            | 65.98             | <b>65.98</b>     |
| <b>Sub total</b>  | <b>12,460.19</b>   | <b>44,411.54</b>   | <b>4,175.01</b>   | <b>150.27</b> | <b>55.32</b> | <b>130.52</b>     | <b>61,382.85</b> |
| Less: Allowance for Doubtful debts                      |  |                    |                   |               |              |                   | <b>(342.98)</b>  |
| <b>Total</b>  |  |                    |                   |               |              |                   | <b>61,039.87</b> |

#### 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              | <b>59,031.25</b> |
| (ii) Undisputed Trade receivables – considered doubtful | -  | -                  | -                 | 41.60        | 0.79         | 17.74             | <b>60.13</b>     |
| (iii) Disputed Trade receivables – considered good      | -  | -                  | -                 | -            | -            | -                 | -                |
| (iv) Disputed Trade receivables – considered doubtful   | -  | -                  | -                 | -            | -            | 65.98             | <b>65.98</b>     |
| <b>Sub total</b>  | <b>13,003.49</b>   | <b>45,845.21</b>   | <b>124.72</b>     | <b>43.09</b> | <b>52.26</b> | <b>88.59</b>      | <b>59,157.36</b> |
| Less: Allowance for Doubtful debts                      |  |                    |                   |              |              |                   | <b>(295.19)</b>  |
| <b>Total</b>  |  |                    |                   |              |              |                   | <b>58,862.17</b> |

#### 14 CASH AND BANK BALANCES

(₹ in Lakhs)

| Particulars   | No. of Units              |                           | Amount                    |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
|   | As at<br>31st March, 2024 | As at<br>31st March, 2023 | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| <b>(a) Cash &amp; cash equivalents</b>  |                           |                           |                           |                           |
| (i) Balances with banks<br>In Current Accounts  |                           |                           | 2,413.11                  | 3,366.58                  |
| (ii) Cash on hand   |                           |                           | 4.50                      | 5.10                      |
| (iii) Investments in Mutual Fund (At FVTPL)   |                           |                           |                           |                           |
| <b>Quoted</b>   |                           |                           |                           |                           |
| Aditya Birla Liquid - Direct Plan - Growth  | -                         | 3,61,269.24               | -                         | 1,311.71                  |
| Aditya Birla Liquid - Regular Plan - Growth   | 3,55,243.66               | -                         | 1,370.04                  | -                         |
| HDFC Liquid fund - Direct Plan - Growth Option  | -                         | 98,377.14                 | -                         | 4,351.42                  |
| ICICI Prudential Liquid Fund - Growth   | -                         | 23,45,379.39              | -                         | 7,755.10                  |
| Kotak Liquid Fund - Regular Plan - Growth   | 85,307.36                 | -                         | 4,128.75                  | -                         |
| Kotak Money Market Scheme - Dir - Growth  | 1,02,736.85               | -                         | 4,235.34                  | -                         |
| Nippon India Liquid Fund - Reg - Growth   | 26,130.30                 | -                         | 1,526.89                  | -                         |
| Nippon India Money Market Fund - Dir - Growth   | 31,809.89                 | -                         | 1,215.56                  | -                         |
| SBI Liquid Fund Direct Growth   | -                         | 41,164.24                 | -                         | 1,450.34                  |
| Immediate liquidity applications -FAF (Brazil)  | 13,667.39                 | 10,079.26                 | 197.05                    | 134.97                    |
|   |                           |                           | <b>15,091.24</b>          | <b>18,375.22</b>          |
| <b>(b) Other bank balances (Restricted bank balances)</b>                                 |                           |                           |                           |                           |
| In Unpaid Dividend Account  |                           |                           | 128.55                    | 149.88                    |
| In Fixed Deposits (against Bank Guarantee) having<br>original maturity more than 3 months |                           |                           | 212.47                    | 11.19                     |
|   |                           |                           | <b>341.02</b>             | <b>161.07</b>             |
| <b>Total</b>  |                           |                           | <b>15,432.26</b>          | <b>18,536.29</b>          |
| Aggregate carrying value of quoted investments  |                           |                           | 12,673.63                 | 15,003.54                 |
| Aggregate market value of quoted investments  |                           |                           | 12,673.63                 | 15,003.54                 |

#### 15 LOAN (CURRENT)

(₹ in Lakhs)

| Particulars                       | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-----------------------------------|---------------------------|---------------------------|
| <b>Unsecured, considered good</b> |                           |                           |
| Loans to Employees                | 3.73                      | 5.62                      |
| <b>Total</b>                      | <b>3.73</b>               | <b>5.62</b>               |

#### 16 OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| Insurance claim receivables   | -                         | 89.01                     |
| Accrued Interest on fixed deposits  | 23.09                     | 12.42                     |
| [Net of provision for Impairment loss ₹ 139.08 lakhs (P.Y. ₹ 139.08 lakhs)] |                           |                           |
| Others (Forward contract receivable)  | -                         | 69.26                     |
| <b>Total</b>  | <b>23.09</b>              | <b>170.69</b>             |

#### 17 OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| <b>Unsecured, considered good</b>                                |                           |                           |
| Prepaid Expenses   | 2,066.06                  | 2,343.15                  |
| Balances with Revenue Authorities (including refund receivables) |                           |                           |
| Considered good  | 18,101.81                 | 15,036.49                 |
| Considered Doubtful  | 6.31                      | 69.56                     |
| Less: Provision for Doubtful Advances                            | (6.31)                    | (69.56)                   |
| Advance against materials and expenses                           | 801.92                    | 353.54                    |
| Export incentive receivable                                      | 843.73                    | 617.44                    |
| Other receivables / advances                                     |                           |                           |
| Considered good  | 502.00                    | 244.63                    |
| Considered doubtful  | 151.42                    | 149.03                    |
| Less: Provision for doubtful advances                            | (151.42)                  | (149.03)                  |
| <b>Total</b>   | <b>22,315.52</b>          | <b>18,595.25</b>          |

17.1 The movement in allowance for doubtful advances (including allowance made against non-current items) is given below: (₹ in Lakhs)

| Particulars   | 2023-2024       | 2022-2023       |
|---|-----------------|-----------------|
| Opening balance (refer note 8,10,16 and 17)                         | 1,383.82        | 991.74          |
| Add / (Less) : Allowance for doubtful advances made during the year | (3.93)          | 392.08          |
| Less: Reversal / utilisation during the year                        | -               | -               |
| <b>Closing balance</b>  | <b>1,379.89</b> | <b>1,383.82</b> |

## 18 EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| <b>AUTHORISED</b>   |                           |                           |
| 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                    |
| <b>Total</b>  | <b>5,000.00</b>           | <b>5,000.00</b>           |

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| <b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>   |                           |                           |
| 7,04,05,750 Equity Shares of ₹ 2/- each fully paid up<br>(P.Y. 7,04,05,750 Equity Shares of ₹ 2/- each fully paid up) | 1,408.12                  | 1,408.12                  |
| <b>Total</b>  | <b>1,408.12</b>           | <b>1,408.12</b>           |

### 18.1 Reconciliation of Number of Shares (Equity)

| Particulars  | 2023-2024          |                        | 2022-2023          |                        |
|--|--------------------|------------------------|--------------------|------------------------|
|  | No. of Shares      | Amount<br>(₹ in lakhs) | No. of Shares      | Amount<br>(₹ 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 | -                  | -                      | -                  | -                      |
| <b>Restated balance at the beginning of the current reporting period</b> | <b>7,04,05,750</b> | <b>1,408.12</b>        | <b>7,04,05,750</b> | <b>1,408.12</b>        |
| Add / (Less): Movements during the year                                  | -                  | -                      | -                  | -                      |
| <b>Shares outstanding as at the end of the year</b>                      | <b>7,04,05,750</b> | <b>1,408.12</b>        | <b>7,04,05,750</b> | <b>1,408.12</b>        |

### 18.2 Rights, preferences and restrictions attached to Equity Shares.

The Holding 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 if 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 Holding Company:

| Name of the Shareholders  | As at 31st March, 2024 |        | As at 31st March, 2023 |        |
|---------------------------|------------------------|--------|------------------------|--------|
|                           | No. of Shares          | % held | No. of Shares          | % held |
| IPCA Laboratories Limited | 3,70,81,011            | 52.67% | -                      | -      |
| Dr. Prakash Amrut Mody    | 89,97,952              | 12.78% | 3,24,99,392            | 46.16% |
| HDFC Small Cap Fund       | 54,73,134              | 7.77%  | 47,12,911              | 6.69%  |

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:

| Sr. No. | Promoter's Name   | No. of Shares as on |                  | % of total shares as on |                  |
|---------|---|---------------------|------------------|-------------------------|------------------|
|         |   | 31st March, 2024    | 31st March, 2024 | 31st March, 2023        | 31st March, 2023 |
| 1.      | IPCA Laboratories Limited                                       | 3,70,81,011         | 52.67%           | -                       | -                |
| 2.      | Prakash Amrut Mody  | 89,97,952           | 12.78%           | 3,24,99,392             | 46.16%           |
| 3.      | Anita Prakash Mody  | 13,23,400           | 1.88%            | 13,23,400               | 1.88%            |
| 4.      | Suparna Prakash Mody  | 9,49,936            | 1.35%            | 9,49,936                | 1.35%            |
| 5.      | Supriya Prakash Mody  | 9,49,936            | 1.35%            | 9,49,936                | 1.35%            |
| 6.      | Prakash Amrut Mody -<br>Suparna Mody Trust (Promoter Trust)     | 52,016              | 0.07%            | 52,016                  | 0.07%            |
| 7.      | Prakash Amrut Mody -<br>Supriya Mody Trust (Promoter Trust)     | 45,052              | 0.06%            | 45,052                  | 0.06%            |
| 8.      | Prakash Amrut Mody -<br>Shwetambari Mody Trust (Promoter Trust) | 41,283              | 0.06%            | 41,283                  | 0.06%            |
|         | <b>Total</b>  | <b>4,94,40,586</b>  | <b>70.22%</b>    | <b>3,58,61,015</b>      | <b>50.93%</b>    |

## 19 OTHER EQUITY

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| <b>CAPITAL REDEMPTION RESERVE</b>                                  |                           |                           |
| Balance at the beginning of the year                               | 1,246.00                  | 1,246.00                  |
| Add: Additions / (deductions) during the year                      | -                         | -                         |
| <b>Balance at the end of the year</b>                              | <b>1,246.00</b>           | <b>1,246.00</b>           |
| <b>SECURITIES PREMIUM</b>  |                           |                           |
| Balance at the beginning of the year                               | 133.02                    | 133.02                    |
| Add: Additions / (deductions) during the year                      | -                         | -                         |
| <b>Balance at the end of the year</b>                              | <b>133.02</b>             | <b>133.02</b>             |
| <b>EMPLOYEE STOCK OPTIONS OUTSTANDING ACCOUNT</b>                  |                           |                           |
| Balance at the beginning of the year                               | 1,204.53                  | 1,204.53                  |
| Add: Additions during the year                                     | -                         | -                         |
| Less: Transferred to Retained Earnings (refer note 19.1)           | (1,204.53)                | -                         |
|  | -                         | 1,204.53                  |
| Less: Deferred Employees' stock compensation (refer note 50)       | 306.32                    | -                         |
| <b>Balance at the end of the year</b>                              | <b>306.32</b>             | <b>1,204.53</b>           |
| <b>OTHER COMPREHENSIVE INCOME</b>                                  |                           |                           |
| Foreign currency translation reserve                               |                           |                           |
| Balance at the beginning of the year                               | 450.29                    | (268.62)                  |
| Exchange difference arising on translating the foreign operations  | (494.67)                  | 718.91                    |
| <b>Balance at the end of the year</b>                              | <b>(44.38)</b>            | <b>450.29</b>             |
| <b>EQUITY INSTRUMENT THROUGH OCI</b>                               |                           |                           |
| Balance at the beginning of the year                               | -                         | 8,533.38                  |
| Add / (Less): Movements during the year                            | -                         | 3,648.04                  |
| Less: Transferred to Retained Earnings (refer note 19.2)           | -                         | (12,181.42)               |
| <b>Balance at the end of the year</b>                              | <b>-</b>                  | <b>-</b>                  |
| <b>REMEASUREMENTS OF DEFINED BENEFIT PLANS</b>                     |                           |                           |
| Balance at the beginning of the year                               | (662.09)                  | (886.72)                  |
| Add / (Less): Movements during the year                            | (27.38)                   | 224.63                    |
| <b>Balance at the end of the year</b>                              | <b>(689.47)</b>           | <b>(662.09)</b>           |
| <b>GAIN/ (LOSS) ON CASH FLOW HEDGE</b>                             |                           |                           |
| Balance at the beginning of the year                               | -                         | -                         |
| Add / (Less): Movements during the year                            | (25.37)                   | -                         |
| <b>Balance at the end of the year</b>                              | <b>(25.37)</b>            | <b>-</b>                  |
| <b>RETAINED EARNINGS</b>   |                           |                           |
| Balance at the beginning of the year                               | 2,39,750.54               | 2,50,608.11               |
| Add: Profit / (Loss) for the year                                  | (7,047.43)                | (20,222.76)               |
| Add: Transferred from Other comprehensive income (refer note 19.2) | -                         | 12,181.42                 |
| Add: Transfer from shares options outstanding Account              | 1,204.53                  | -                         |
| Less: Final Dividend paid  | -                         | 2,816.23                  |
| <b>Balance at the end of the year</b>                              | <b>2,33,907.64</b>        | <b>2,39,750.54</b>        |
| <b>Total Reserves &amp; Surplus</b>                                | <b>2,34,833.76</b>        | <b>2,42,122.29</b>        |

19.1 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.

19.2 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".

**20 BORROWINGS - NON CURRENT**

(₹ in Lakhs)

| Particulars         | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---------------------|---------------------------|---------------------------|
| <b>Secured</b>      |                           |                           |
| Term loan from bank | 3,822.21                  | 6,364.90                  |
| <b>Total</b>        | <b>3,822.21</b>           | <b>6,364.90</b>           |

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 During the year ended 31st March, 2024, the company has entered into a hedge transaction of interest rate currency swap by notionally converting the term loan from INR into USD. The effective portion of changes in fair value is recognised in other comprehensive income of ₹ 25.37 lakhs (P.Y. Nil). Also refer note 43.

**21 LEASE LIABILITIES**

(₹ in Lakhs)

| Particulars                   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|-------------------------------|---------------------------|---------------------------|
| Current lease liabilities     | 421.24                    | 515.95                    |
| Non-current lease liabilities | 2,415.26                  | 1,149.31                  |
| <b>Total</b>                  | <b>2,836.50</b>           | <b>1,665.26</b>           |

Refer note 48

**22 PROVISIONS ( NON-CURRENT )**

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| <b>Provision for employee benefits (refer note 49)</b> |                           |                           |
| Defined benefit plan-Gratuity                          | 862.26                    | 1,350.65                  |
| Leave benefits   | 2,717.97                  | 2,786.20                  |
| Long-term bonus  | -                         | 53.84                     |
| <b>Total</b>   | <b>3,580.23</b>           | <b>4,190.69</b>           |

**23 DEFERRED TAX LIABILITIES ( NET )**

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| Deferred tax liabilities (net) in respect of the Holding Company | -                         | -                         |
| <b>Total</b>   | <b>-</b>                  | <b>-</b>                  |

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   | 2023-2024     | 2022-2023       |
|---|---------------|-----------------|
| <b>Current tax:</b>   |               |                 |
| Current tax on profits for the year   | 794.49        | 1,105.63        |
| Adjustments for current tax of prior periods (net of deferred tax of ₹ 260.73 lakhs P.Y. Nil) | -             | (54.14)         |
| <b>Total Current tax expense</b>  | <b>794.49</b> | <b>1,051.49</b> |
| <b>Deferred Tax:</b>  |               |                 |
| Decrease / (increase) in Deferred Tax Assets  | (1,704.32)    | 1,354.75        |
| (Decrease) / Increase in Deferred Tax Liabilities   | 1,790.65      | 180.23          |
| <b>Total Deferred tax expense / (credit)</b>  | <b>86.33</b>  | <b>1,534.98</b> |
| <b>Aggregate income tax expense</b>   | <b>880.82</b> | <b>2,586.47</b> |

**23.3 Income tax expense recognised in other comprehensive income and other equity (Holding Company and Its Subsidiaries):** (₹ in Lakhs)

| Particulars  | 2023-2024 | 2022-2023         |
|--|-----------|-------------------|
| Deferred tax liability on fair value gain on equity instruments (net)              | -         | (2,061.22)        |
| Deferred tax asset on net loss / (gain) on remeasurements of Defined Benefit Plans | -         | -                 |
| <b>Income Tax Expense / (Income) Charged to OCI</b>                                | <b>-</b>  | <b>(2,061.22)</b> |

**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  | 2023-2024         | 2022-2023          |
|--|-------------------|--------------------|
| <b>Total profit / (loss) before income taxes</b>   | <b>(6,166.61)</b> | <b>(17,636.29)</b> |
| At India's Statutory Income Tax Rate of 25.168% (P.Y. 25.168%)                             | (1,552.01)        | (4,438.70)         |
| <b>Adjustments to reconcile expected income tax expense to reported income tax expense</b> |                   |                    |
| Effect of expenses not deductible in determining taxable profit                            | -                 | (60.20)            |
| Tax rate difference  | (107.59)          | (154.98)           |
| Exempt income on which tax is not payable  | -                 | -                  |
| Deferred tax asset recognised on remaining amount of b/f tax loss                          | 1,659.60          | -                  |
| Deferred tax asset not recognised on remaining amount of losses                            | -                 | 7,096.88           |
| Tax effect due to taxable income of subsidiaries / intra-group eliminations                | -                 | -                  |
| Deferred tax regrouped on remeasurements of defined benefit plans                          | -                 | -                  |
| <b>Adjusted income tax expenses</b>  | <b>-</b>          | <b>2,443.00</b>    |
| Tax charge / (credit) impact given in Other Comprehensive Income                           | -                 | (2,061.22)         |
| <b>Total tax</b>   | <b>-</b>          | <b>381.78</b>      |
| <b>Effective Income Tax Rate</b>   | <b>0.00%</b>      | <b>-2.16%</b>      |

**23.5 Reflected in the Balance Sheet as follows (Holding Company):** (₹ in Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| <b>Deferred Tax Liabilities</b>                               |                           |                           |
| Depreciation and amortisation                                 | 8,808.23                  | 7,017.57                  |
| Fair value gain on mutual funds (net)                         | 21.89                     | 127.33                    |
|   | <b>8,830.12</b>           | <b>7,144.90</b>           |
| <b>Deferred Tax Assets</b>                                    |                           |                           |
| Allowance for doubtful trade receivables                      | 86.33                     | 74.29                     |
| Allowance for doubtful advances                               | 39.70                     | 37.51                     |
| Allowance for impairment in value of investments              | 1,474.04                  | 1,474.04                  |
| Allowance for impairment in value of other financial assets   | 251.68                    | 251.68                    |
| Provision for employee benefits                               | 1,127.34                  | 1,283.08                  |
| Allowance for impairment in value of investments in Associate | 118.42                    | 118.42                    |
| Business loss / unabsorbed depreciation                       | 5,646.05                  | 3,803.85                  |
| Others  | 86.56                     | 102.03                    |
|   | <b>8,830.12</b>           | <b>7,144.90</b>           |
| <b>Deferred Tax Liabilities (net)</b>                         | <b>-</b>                  | <b>-</b>                  |

**23.6 Movement of deferred tax during the year 2023-2024 (Holding Company):** (₹ in Lakhs)

| Particulars   | Opening<br>balance<br>1st April, 2023 | (Credit) / charge<br>recognised in<br>statement of<br>profit and loss | Recognised<br>in other<br>comprehensive<br>income | Closing<br>balance<br>31st March, 2024 |
|---|---------------------------------------|---|---|--|
| <b>Deferred tax liabilities in relation to</b>                |                                       |   |   |  |
| Depreciation and amortisation                                 | 7,017.57                              | 1,790.66  | -   | 8,808.23                               |
| Fair value gain on mutual funds (net)                         | 127.33                                | (105.44)  | -   | 21.89                                  |
| <b>Deferred tax assets in relation to</b>                     |                                       |   |   |  |
| Allowance for doubtful trade receivables                      | (74.29)                               | (12.04)   | -   | (86.33)                                |
| Allowance for doubtful advances                               | (37.51)                               | (2.19)  | -   | (39.70)                                |
| Allowance for impairment in value of investments              | (1,474.04)                            | -   | -   | (1,474.04)                             |
| Allowance for impairment in value of other financial assets   | (251.68)                              | -   | -   | (251.68)                               |
| Provision for employee benefits                               | (1,283.08)                            | 155.73  | -   | (1,127.34)                             |
| Allowance for impairment in value of investments in Associate | (118.42)                              | -   | -   | (118.42)                               |
| Business loss / unabsorbed depreciation                       | (3,803.85)                            | (1,842.20)  | -   | (5,646.05)                             |
| Others  | (102.03)                              | 15.47   | -   | (86.56)                                |
| <b>Deferred tax liabilities (net)</b>                         | <b>-</b>                              | <b>-</b>  | <b>-</b>  | <b>-</b>                               |



**23.7 Movement of deferred tax during the year 2022-2023 (Holding Company):**

(₹ in Lakhs)

| Particulars   | Opening balance<br>1st April, 2022 | (Credit) / charge<br>recognised in<br>statement of<br>profit and loss | Recognised<br>in other<br>comprehensive<br>income | Closing<br>balance<br>31st March, 2023 |
|---|------------------------------------|---|---|--|
| <b>Deferred tax liabilities in relation to</b>                |                                    |   |   |  |
| 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)  | -                                      |
| <b>Deferred tax assets in relation to</b>                     |                                    |   |   |  |
| 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)                         | (85.27)   | -   | (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)                               |
| <b>Deferred tax liabilities (net)</b>                         | <b>-</b>                           | <b>2,061.22</b>   | <b>(2,061.22)</b>                                 | <b>-</b>                               |

**24 OTHER NON-CURRENT LIABILITIES**

(₹ in Lakhs)

| Particulars                | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|----------------------------|---------------------------|---------------------------|
| <b>Unsecured</b>           |                           |                           |
| Others (Customer Advances) | 86.96                     | 109.50                    |
| <b>Total</b>               | <b>86.96</b>              | <b>109.50</b>             |

**25 BORROWINGS (CURRENT)**

(₹ in Lakhs)

| Particulars   | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|---|---------------------------|---------------------------|
| <b>Secured</b>  |                           |                           |
| <b>From Banks</b>   |                           |                           |
| Packing credit (refer note 41)  | -                         | 1,236.30                  |
| Cash credit facility, repayable on demand (refer note 41)                 | 15,526.39                 | 19,571.73                 |
| Loan from Bank (current maturity of long term borrowings) (refer note 20) | 2,566.32                  | 2,566.32                  |
| <b>Total</b>  | <b>18,092.71</b>          | <b>23,374.35</b>          |

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.

**26 TRADE PAYABLES**

(₹ in Lakhs)

| Particulars  | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|--|---------------------------|---------------------------|
| <b>Trade Payables</b>  |                           |                           |
| Total outstanding dues of micro enterprises and small enterprises                      | 349.13                    | 551.31                    |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 29,587.79                 | 28,517.29                 |
| <b>Total</b>   | <b>29,936.92</b>          | <b>29,068.60</b>          |

**26.1 Trade Payables ageing schedule:**
**As at 31st March, 2024**

(₹ 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                    | 53.13  | 274.67           | 21.33            | -            | -            | -                 | 349.13           |
| (ii) Others                 | 1,880.85   | 22,904.14        | 4,707.45         | 72.18        | 14.53        | 8.64              | 29,587.79        |
| (iii) Disputed dues - MSME  | -  | -                | -                | -            | -            | -                 | -                |
| (iv) Disputed dues - Others | -  | -                | -                | -            | -            | -                 | -                |
| <b>Total</b>                | <b>1,933.98</b>  | <b>23,178.81</b> | <b>4,728.78</b>  | <b>72.18</b> | <b>14.53</b> | <b>8.64</b>       | <b>29,936.92</b> |

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 | -  | -               | -                | -            | -            | -                 | -                |
| <b>Total</b>                | <b>1,666.97</b>  | <b>5,268.14</b> | <b>22,036.92</b> | <b>55.17</b> | <b>23.14</b> | <b>18.26</b>      | <b>29,068.60</b> |

**27 OTHER FINANCIAL LIABILITIES ( CURRENT )**

(₹ in Lakhs)

| Particulars   | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| Unclaimed Dividend                                      | 128.55                 | 149.90                 |
| Deposits from Customers                                 | 21.64                  | 21.64                  |
| Payable for employee benefits                           | 2,258.47               | 3,400.40               |
| Payable for Capital Goods                               | 375.82                 | 989.92                 |
| Amount payable on hedging transaction (Refer note 20.2) | 25.37                  | -                      |
| Others (Forward contract payable)                       | 107.42                 | -                      |
| <b>Total</b>  | <b>2,917.27</b>        | <b>4,561.86</b>        |

**28 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

| Particulars                                   | As at 31st March, 2024 | As at 31st March, 2023 |
|---|------------------------|------------------------|
| <b>Other Payables</b>                         |                        |                        |
| Statutory Dues (refer note 28.2)              | 4,671.89               | 2,441.87               |
| Revenue received in advance (refer note 28.1) | 769.32                 | 2,452.70               |
| Others (customer advances, etc.)              | 172.58                 | 294.86                 |
| <b>Total</b>                                  | <b>5,613.79</b>        | <b>5,189.43</b>        |

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 ₹ 2.91 lakhs (P.Y. ₹ 10.87 lakhs) which will be paid off on linking of aadhar number of certain employees with the provident fund portal.

**29 PROVISIONS ( CURRENT )**

(₹ in Lakhs)

| Particulars  | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| <b>Provision for employee benefits (refer note 49)</b> |                        |                        |
| Defined benefit plan                                   | 468.16                 | 443.02                 |
| Leave benefits   | 430.53                 | 518.21                 |
| Long-term bonus  | 75.00                  | 190.22                 |
| <b>Other Provisions</b>                                |                        |                        |
| Claims (refer note 29.1)                               | 49.30                  | 49.30                  |
| Provision for European commission fine (refer note 39) | 12,562.25              | -                      |
| <b>Total</b>   | <b>13,585.24</b>       | <b>1,200.75</b>        |

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            | 2023-2024    | 2022-2023    |
|------------------------|--------------|--------------|
| <b>Opening Balance</b> | <b>49.30</b> | <b>55.31</b> |
| Add : provisions made  | -            | -            |
| Less: utilisations     | -            | 6.01         |
| <b>Closing balance</b> | <b>49.30</b> | <b>49.30</b> |

**30 REVENUE FROM OPERATIONS**

(₹ in Lakhs)

| Particulars  | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|--|-------------------------------------|-------------------------------------|
| Sale of products   | 1,65,741.61                         | 1,30,242.01                         |
| Other operating revenues   |                                     |                                     |
| Export benefits  | 3,776.94                            | 1,757.39                            |
| Other operating revenues (Raw material, solvent, scrap sale, R&D revenue etc.) | 970.92                              | 2,302.82                            |
|  | <b>4,747.86</b>                     | <b>4,060.21</b>                     |
| <b>Total Revenue from Operations</b>   | <b>1,70,489.47</b>                  | <b>1,34,302.22</b>                  |

## 30.1 Disclosure for disaggregation of revenue :

(₹ in Lakhs)

| Particulars              | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|--------------------------|--|--|
| Formulations             | 1,51,977.24                            | 1,15,824.98                            |
| Bulk Drugs and chemicals | 13,764.37                              | 14,417.03                              |
| <b>Total</b>             | <b>1,65,741.61</b>                     | <b>1,30,242.01</b>                     |

## 31 OTHER INCOME

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Interest Income (Refer note 31.1)   | 67.26                                  | 51.62                                  |
| Dividend Income on investments measured at Fair value through Profit and loss         | 0.43                                   | 0.59                                   |
| Net gain on investments measured at Fair value through Profit and loss                | 646.38                                 | 904.94                                 |
| Profit on sale of property, plant and equipment (net)                                 | 163.31                                 | 128.27                                 |
| Other non-operating income [guarantee commission, notice pay, lease rent, etc. (net)] | 42.30                                  | 34.49                                  |
| Net gain / (loss) on foreign currency translation and transactions                    | 2,239.86                               | 2,731.60                               |
| <b>Total</b>  | <b>3,159.54</b>                        | <b>3,851.51</b>                        |

## 31.1 Details of interest income

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Interest Income on financial assets measured at amortised cost / others | 67.26                                  | 51.62                                  |

## 32 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

| Particulars       | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|-------------------|--|--|
| Raw Materials     | 64,380.57                              | 46,372.44                              |
| Packing Materials | 9,899.87                               | 6,847.49                               |
| <b>Total</b>      | <b>74,280.44</b>                       | <b>53,219.93</b>                       |

## CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN- PROGRESS

(₹ in Lakhs)

| Particulars                               | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| <b>Inventories at the Commencement</b>    |  |  |
| Finished Goods                            | 22,616.21                              | 22,259.43                              |
| Work-in-progress                          | 8,138.07                               | 10,214.94                              |
|   | <b>30,754.28</b>                       | <b>32,474.37</b>                       |
| <b>Inventories at year end</b>            |  |  |
| Finished Goods                            | 28,390.50                              | 22,616.21                              |
| Work-in-progress                          | 10,272.83                              | 8,138.07                               |
|   | <b>38,663.33</b>                       | <b>30,754.28</b>                       |
| (Increase) / Decrease in Finished Goods   | (5,774.29)                             | (356.78)                               |
| (Increase) / Decrease in Work-in-progress | (2,134.76)                             | 2,076.87                               |
| <b>Total change in inventory</b>          | <b>(7,909.05)</b>                      | <b>1,720.09</b>                        |

## 33 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

| Particulars                               | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Salaries and wages                        | 35,607.19                              | 32,782.64                              |
| Contribution to provident and other funds | 2,550.74                               | 1,945.84                               |
| Share-based payments to employees         | 308.46                                 | 104.93                                 |
| Staff welfare expenses                    | 839.38                                 | 807.64                                 |
| <b>Total</b>                              | <b>39,305.77</b>                       | <b>35,641.05</b>                       |

## 33.1 Aggregate Employee Benefits Expense

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Employee benefits expense as per note 33  | 39,305.77                              | 35,641.05                              |
| Employee benefits expense (one-time discretionary loyalty bonus) as per note 36.2 | -                                      | 3,354.40                               |
| <b>Total</b>  | <b>39,305.77</b>                       | <b>38,995.45</b>                       |

**34 FINANCE COSTS**

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Interest cost on financial liabilities measured at amortised cost | 2,014.89                               | 1,537.40                               |
| Interest on lease   | 67.61                                  | 72.12                                  |
| Interest others   | 132.97                                 | 15.69                                  |
| Other borrowing costs (bank charges / fees, etc.)                 | 50.65                                  | 106.04                                 |
| <b>Total</b>  | <b>2,266.12</b>                        | <b>1,731.25</b>                        |

**35 IMPAIRMENT LOSS ON FINANCIAL ASSETS**

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|--|--|--|
| <b>Impairment of other financial asset</b>                   |  |  |
| Inter-corporate deposits & interest thereon (refer note 8.1) | -                                      | 341.72                                 |
| <b>Total</b>   | <b>-</b>                               | <b>341.72</b>                          |

**36 OTHER EXPENSES**

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Consumption of Stores and Spares                            | 2,028.70                               | 1,940.38                               |
| Power and Fuel  | 10,714.16                              | 10,284.34                              |
| Rent  | 113.16                                 | 85.58                                  |
| Insurance   | 1,137.91                               | 1,151.14                               |
| Repairs:  |  |  |
| Plant and Machinery   | 1,383.20                               | 1,471.21                               |
| Buildings   | 254.91                                 | 368.38                                 |
| Others  | 4,174.53                               | 3,706.30                               |
| Rates and Taxes   | 421.00                                 | 652.99                                 |
| Advertising and sales promotion                             | 1,577.28                               | 1,174.58                               |
| Travelling and Conveyance                                   | 495.51                                 | 538.79                                 |
| Freight outward   | 16,091.90                              | 11,586.67                              |
| Directors' sitting fees                                     | 53.50                                  | 48.50                                  |
| Commission on sales   | 130.73                                 | 194.43                                 |
| Legal & Professional Expenses                               | 3,191.40                               | 2,181.07                               |
| Contribution towards Corporate Social Responsibility        | -                                      | 28.00                                  |
| Establishment and Administrative Expenses (refer note 36.1) | 12,928.54                              | 12,369.96                              |
| <b>Total</b>  | <b>54,696.43</b>                       | <b>47,782.32</b>                       |

**36.1 Establishment and Administrative Expenses includes following major expenses :**

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|--|--|--|
| Research and Development expenditure (Material, services, accessories, etc.) | 2,513.66                               | 2,639.39                               |
| Bio Equivalence Studies  | 607.91                                 | 648.22                                 |
| Lab related expenses (Glass apparatus, chemicals, accessories, etc.)         | 1,917.21                               | 1,838.81                               |
| Regulatory Fees  | 2,361.91                               | 2,087.32                               |

**36.2 Exceptional Items - Expenses**

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| Provision for European commission fine (refer note 39)          | 12,562.25                              | -                                      |
| Net (Gain) / Loss on disposal of investment (refer note 36.2.1) | (6,478.91)                             | 502.24                                 |
| Employee benefit expense (one-time discretionary loyalty bonus) | -                                      | 3,354.40                               |
| Net (gain) / loss on disposal of Property, Plant and Equipment  | (322.57)                               | -                                      |
| <b>Total</b>  | <b>5,760.77</b>                        | <b>3,856.64</b>                        |

36.2.1 During the year ended 31st March, 2023, there was a net loss of ₹ 502.24 lakhs 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 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 12.1. In the financial year ending March 31, 2024, in accordance with the SPA, the Company disposed off 4918 equity shares (holdback shares), leading to a net profit of ₹ 6,478.91 lakhs. Also refer note 12.2 .

**37 OTHER COMPREHENSIVE INCOME**

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March, 2024 | For the year ended<br>31st March, 2023 |
|---|--|--|
| A (i) Items that will not be reclassified to profit or loss                       |  |  |
| Remeasurements of defined benefit plans   | (27.38)                                | 224.63                                 |
| Equity instruments through other comprehensive income                             | -                                      | 1,586.82                               |
| (ii) Income tax relating to items that will not be reclassified to profit or loss |  |  |
| Remeasurements of defined benefit plans   | -                                      | -                                      |
| Equity instruments through other comprehensive income (net)                       | -                                      | 2,061.22                               |
| B (i) Items that will be reclassified to profit or loss                           |  |  |
| Exchange difference in translating the financial statements of foreign operations | (494.66)                               | 719.82                                 |
| Gain/ (Loss) on cash flow hedge   | (25.37)                                | -                                      |
| (ii) Income tax relating to items that will be reclassified to profit or loss     |  |  |
| Exchange difference in translating the financial statements of foreign operations | -                                      | -                                      |
| Gain/ (Loss) on cash flow hedge   | -                                      | -                                      |
| <b>Total Comprehensive Income</b>   | <b>(547.41)</b>                        | <b>4,592.49</b>                        |

37.1 During the year ended 31st March, 2023 the net gain of ₹ 1,586.82 lakhs (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

**38 CONTINGENT LIABILITIES AND OTHER LIABILITIES WHICH ARE REMOTE IN NATURE****A. Matters considered as contingent liability**

(₹ in Lakhs)

| Particulars  | 2023-2024       | 2022-2023        |
|--|-----------------|------------------|
| (i) Claims not acknowledged as debts*                        | 2,028.41        | 1,847.64         |
| (ii) Fine imposed by European Commission (refer note no. 39) | -               | 12,523.87        |
| (iii) Other money for which the Group is contingently liable | 515.52          | 41.08            |
| (iv) Other bank guarantees                                   | 691.52          | 691.52           |
| <b>Total</b>   | <b>3,235.45</b> | <b>15,104.11</b> |

\* includes ₹ 83.66 lakhs (P.Y. ₹ 85.32 lakhs) income tax / sales tax refund amount kept on hold, amount paid under protest / deposit made pending adjudication under the Income tax Act, 1961, the Finance Act, 1994, Central Excise Act, 1944, Central Goods and Services tax Act, 2017 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 and (b) claims from regulatory authorities. 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 above uncertainty in regard to ongoing litigation related to EU matter, during the year ended 31st March, 2024, the management of the Company on the basis of abundant precaution had made full provision of ₹ 12,562.25 lakhs (P.Y. Nil) towards EU fine which is disclosed under exceptional item.

- 40 (a) Estimated amount of Contracts remaining to be executed (net of advances) on Capital account of ₹ 4,628.06 lakhs (P.Y. ₹ 7,066.15 lakhs) and on other purchase orders of ₹ 16,769.32 lakhs (P.Y. ₹ 21,222.67 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 ₹ 26,689.50 lakhs (P.Y. ₹ 33,091.46 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 hypothecation charge on movable property, plant and equipment at Goa as well as by way of mortgage charge on immovable property being Industrial land and building at Goa. During the financial year ended 31st March, 2024, the mortgage charge on immovable property situated at 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 has been released.

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 ₹ 133.86 lakhs (P.Y. ₹ 124.79 lakhs).

Further, 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.

#### 42 Expenditure incurred during the year and included in Capital work-in-progress as follows:

(₹ in Lakhs)

| Particulars              | 2023-2024   | 2022-2023    |
|--------------------------|-------------|--------------|
| i) Power & fuel          | 0.05        | -            |
| ii) Insurance            | -           | 11.41        |
| iii) Rent, Rates & Taxes | 0.18        | -            |
| <b>Total</b>             | <b>0.23</b> | <b>11.41</b> |

#### 43 HEDGE ACCOUNTING

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, 2024 |             | Changes in amount of fair value | Hedge Maturity Date             | Line Item in Balance Sheet   |
|---|---------------|--|-------------|---------------------------------|---------------------------------|------------------------------|
|   |               | Assets                                 | Liabilities |                                 |                                 |                              |
| Foreign currency risk<br>Trade Receivables hedged by<br>Forward Contracts | 50,893.53     | 50,786.12                              | -           | (107.42)                        | April 2024 to<br>September 2024 | Other Financial<br>Liability |
| Cash flow hedge   | 6,388.53      | -                                      | 6413.90     | (25.37)                         | April 2024 to<br>September 2026 | Other Financial<br>Liability |

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<br>Trade Receivables hedged by<br>Forward Contracts | 14,449.34     | 14,518.60                              | -           | 69.26                           | April 2023 to<br>September 2023 | Other Financial<br>Assets  |
| Cash flow hedge   | -             | -                                      | -           | -                               | -                               | -                          |

- 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, 2024               | 31st March, 2023 | 31st March, 2024 | 31st March, 2023 |
| USD      | Sell       | 609.36                         | 174.38           | 50,786.12        | 14,518.60        |

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be re-balanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedged ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted in the Statement of Profit and Loss at the time of hedge relationship re-balancing.

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. During the year the Company has not settled any such transactions.

ii) Foreign Currency exposure not hedged by forward contracts are given below :

| Particulars                              | In Foreign Currency (in lakhs) |                           | ₹ in Lakhs                |                           |
|--|--------------------------------|---------------------------|---------------------------|---------------------------|
|  | As at<br>31st March, 2024      | As at<br>31st March, 2023 | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
| A) Trade Receivables and Vendor advances |                                |                           |                           |                           |
| Euro                                     | 20.79                          | 26.84                     | 1,864.99                  | 2,397.03                  |
| USD                                      | -                              | 104.21                    | -                         | 8,555.67                  |
| Others (CAD, GBP, ZAR & CHF)             | -                              | -                         | 181.37                    | 78.21                     |
| B) Trade Payables and Customer advances  |                                |                           |                           |                           |
| Euro                                     | 4.81                           | 5.90                      | 433.26                    | 529.21                    |
| USD                                      | 20.73                          | 45.34                     | 1,730.68                  | 3,736.61                  |
| Others (GBP & ZAR)                       | -                              | -                         | 22.67                     | 3.04                      |
| C) Borrowings                            |                                |                           |                           |                           |
| USD (PCFC loan)                          | -                              | 15.00                     | -                         | 1,236.30                  |

#### 44 Segment Information

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          | 2023-2024          | 2022-2023          |
|----------------------|--------------------|--------------------|
| <b>India</b>         | <b>4,098.03</b>    | <b>3,221.13</b>    |
| <b>Outside India</b> | <b>1,61,643.58</b> | <b>1,27,020.88</b> |
| USA                  | 1,00,570.86        | 78,558.46          |
| Others               | 61,072.72          | 48,462.42          |
| <b>Total</b>         | <b>1,65,741.61</b> | <b>1,30,242.01</b> |

Revenue from external customers is allocated based on the location of the customer.

(ii) Details of Products Sold:

(₹ in Lakhs)

| Particulars              | 2023-2024          | 2022-2023          |
|--------------------------|--------------------|--------------------|
| Formulations             | 1,51,977.24        | 1,15,824.98        |
| Bulk Drugs and Chemicals | 13,764.37          | 14,417.03          |
| <b>Total</b>             | <b>1,65,741.61</b> | <b>1,30,242.01</b> |

(iii) Non-current assets:

(₹ in Lakhs)

| Particulars          | As at<br>31st March, 2024 | As at<br>31st March, 2023 |
|----------------------|---------------------------|---------------------------|
| <b>India</b>         | <b>1,41,111.56</b>        | <b>1,55,062.05</b>        |
| <b>Outside India</b> |                           |                           |
| USA                  | 2,117.53                  | 986.77                    |
| Others               | 3,275.07                  | 3,041.10                  |
| <b>Total</b>         | <b>1,46,504.16</b>        | <b>1,59,089.92</b>        |

(iv) **Major customers:** During the year, the Group has three external customer amounting to ₹ 58,818.80 lakhs (35%) which accounts for more than 10% of the Group's total revenue for the year ended 31st March, 2024. In previous year, the Group had 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.

#### 45 Related Party Disclosures

Disclosure of related parties / related party transactions pursuant to Ind AS 24 "Related Party Disclosure".

##### a) List of related parties :

|   |  |
|---|--|
| <p><b>(i) Enterprises under significant influence of key management personnel as defined in (ii): (disclosed to the extent of transactions)</b><br/>           Uni - Distributors Pvt. Ltd. (upto 9th August, 2023)<br/>           Adiwasi Unnati Mandal<br/>           Uni Trust (upto 9th August, 2023)<br/>           Prakash Amrut Mody - Suparna Mody (Promoter Trust)<br/>           Prakash Amrut Mody - Supriya Mody (Promoter Trust)<br/>           Prakash Amrut Mody - Shwetambari Mody (Promoter Trust)</p> | <p><b>(ii) Key management personnel and their relatives: (disclosed to the extent of transactions)</b><br/>           Dr. Prakash A. Mody (Chairman) *<br/>           Mrs. Anita Mody (Spouse of CMD)<br/>           Ms. Supriya Mody (Daughter of CMD) (upto 15th May, 2023)<br/>           Ms. Suparna Mody (Daughter of CMD)<br/>           Mr. Dilip J. Kunkolienkar (Director - Technical) (upto 9th August, 2023)<br/>           Mr. Pabitrakumar Bhattacharyya (Managing Director) (w.e.f. 10th August, 2023)<br/>           * Dr. Prakash A. Mody was both Chairman &amp; Managing Director upto 9th August, 2023.</p> |
| <p><b>(iii) Independent Directors:</b><br/>           Ms. Priti Puri<br/>           Mr. Anand Y. Mahajan (upto 31st March, 2024)<br/>           Mr. Prafull Anubhai (upto 31st March, 2024)<br/>           Mr. Prafull D Sheth (upto 31st March, 2024)<br/>           Mr. Arun Todarwal (w.e.f. 5th February, 2024)<br/>           Mr. Anand Kusre (w.e.f. 5th February, 2024)</p>  | <p><b>(iv) Post-employment benefit plans:</b><br/>           Unichem Laboratories Ltd- Employees Gratuity Fund<br/>           Unichem Laboratories Ltd- Employees Superannuation Fund</p>  |
| <p><b>(v) Key management personnel and their relatives as per Companies Act, 2013:</b><br/>           Dr. Prakash A. Mody (Chairman &amp; Managing Director) (upto 9th August, 2023)<br/>           Mr. Pradeep Bhandari (Head-Legal &amp; Company Secretary)<br/>           Mr. Sandip Ghume (Dy. Chief Financial Officer)<br/>           Mr. Pabitrakumar Bhattacharyya (Managing Director) (w.e.f. 10th August, 2023)</p>  | <p><b>(vi) Enterprises exercising control:</b><br/>           IPCA Laboratories Ltd. (w.e.f. 10th August, 2023)</p>  |
| <p><b>(vii) Non-Executive Directors:</b><br/>           Dr. Prakash A. Mody (w.e.f. 10th August, 2023)</p>  | <p><b>(viii) Sister Concern (disclosed to the extent of transactions):</b><br/>           Bayshore Pharmaceutical (subsidiary of IPCA Laboratories Ltd)</p>  |

##### b) Disclosure of related party transactions :

(₹ in Lakhs)

| Particulars  | 2023-2024                             | 2022-2023                              |
|--|---------------------------------------|--|
| i) Purchase of Materials<br>IPCA Laboratories Ltd<br>Bayshore Pharmaceutical (subsidiary of IPCA Laboratories Ltd)   | 447.47<br>414.38<br><b>861.85</b>     | -<br>-<br>-                            |
| ii) Purchase of Capital Items<br>IPCA Laboratories Ltd   | 15.93<br><b>15.93</b>                 | -<br>-                                 |
| iii) Sale of Materials<br>IPCA Laboratories Ltd  | 30.38<br><b>30.38</b>                 | -<br>-                                 |
| iv) Sale of Scrap<br>IPCA Laboratories Ltd   | 140.87<br><b>140.87</b>               | -<br>-                                 |
| v) Reimbursements from sister concern (excluding indirect tax)<br>Bayshore Pharmaceutical (subsidiary of IPCA Laboratories Ltd)  | 345.97<br><b>345.97</b>               | -<br>-                                 |
| vi) Rent & Maintenance Paid (excluding indirect taxes)<br>Relative of Key Management Personnel<br>Mrs. Anita Mody<br>Enterprise under significant influence of Key Management Personnel<br>Uni - Distributors Pvt. Ltd.<br>Uni Trust | 7.55<br>7.43<br>5.25<br><b>20.23</b>  | 16.53<br>14.15<br>9.00<br><b>39.68</b> |
| vii) Repayment of deposits from<br>Relative of Key Management Personnel<br>Mrs Anita Mody<br>Enterprise under significant influence of Key Management Personnel<br>Uni - Distributors Pvt. Ltd.<br>Uni Trust                         | 45.90<br>5.00<br>2.25<br><b>53.15</b> | -<br>-<br>-<br>-                       |



**b) Disclosure of related party transactions (contd.):**

(₹ in Lakhs)

| Particulars   | 2023-2024       | 2022-2023       |
|---|-----------------|-----------------|
| viii) Managerial remuneration (including defined contribution plan)           |                 |                 |
| Key Management Personnel  |                 |                 |
| Dr. Prakash A. Mody   | 1,176.37        | 592.35          |
| Mr. Dilip J. Kunkolienkar   | 287.93          | 239.23          |
| Mr. Pabitrakumar Bhattacharyya  | 187.50          | -               |
|   | <b>1,651.80</b> | <b>831.58</b>   |
| ix) Salary (including defined contribution plan)                              |                 |                 |
| Relative of Key Management Personnel  |                 |                 |
| Ms. Supriya Mody  | 66.47           | 107.93          |
|   | <b>66.47</b>    | <b>107.93</b>   |
| x) Dividend Paid  |                 |                 |
| Key Management Personnel & Relatives  |                 |                 |
| Dr. Prakash A. Mody   | -               | 1,299.98        |
| Mrs. Anita Mody   | -               | 52.94           |
| Ms. Supriya Mody  | -               | 38.00           |
| Ms. Suparna Mody  | -               | 38.00           |
| Mr. Dilip J. Kunkolienkar   | -               | 3.02            |
| Prakash Amrut Mody - Suparna Mody (Promoter Trust)                            | -               | 2.08            |
| Prakash Amrut Mody - Supriya Mody (Promoter Trust)                            | -               | 1.80            |
| Prakash Amrut Mody - Shwetambari Mody (Promoter Trust)                        | -               | 1.65            |
|   | -               | <b>1,437.47</b> |
| Independent Directors   |                 |                 |
| Mr. Anand Y. Mahajan  | -               | 0.60            |
| Mr. Prafull Anubhai   | -               | 0.03            |
| Mr. Prafull D. Sheth  | -               | 0.30            |
|   | -               | <b>0.93</b>     |
| xi) Expenses Reimbursement (Establishment, administrative & welfare expenses) |                 |                 |
| Parent  |                 |                 |
| IPCA Laboratories Ltd.  | 981.18          | -               |
| Independent Directors   |                 |                 |
| Mr. Prafull Anubhai   | 0.19            | -               |
| Mr. Prafull D Sheth   | 0.17            | -               |
|   | <b>981.54</b>   | -               |
| xii) Sitting Fees   |                 |                 |
| Independent Directors   |                 |                 |
| Dr. P. A. Mody  | 1.00            | -               |
| Mr. Pranay Godha  | 3.00            | -               |
| Mr. Anand Kurse   | 1.00            | -               |
| Mr. Arun Todarwal   | 1.00            | -               |
| Ms. Priti Puri  | 8.50            | -               |
| Dr. (Mrs.) B. Kinnera Murthy  | -               | 9.50            |
| Mr. Anand Y. Mahajan  | 13.00           | 12.00           |
| Mr. Prafull Anubhai   | 14.00           | 13.50           |
| Mr. Prafull D. Sheth  | 12.00           | 13.50           |
|   | <b>53.50</b>    | <b>48.50</b>    |
| xiii) Sale of Assets  |                 |                 |
| Key Management Personnel & Relatives  |                 |                 |
| Dr. Prakash A. Mody   | 102.00          | -               |
| Ms Supriya Mody   | 8.41            | -               |
| Mr. Dilip J. Kunkolienkar   | 12.00           | -               |
| Uni - Distributors Pvt. Ltd.  | 438.16          | -               |
|   | <b>560.57</b>   | -               |
| xiv) Corporate Social Responsibility  |                 |                 |
| Enterprise under significant influence of Key Management Personnel            |                 |                 |
| Adiwasi Unnati Mandal   | -               | 5.00            |
|   | -               | <b>5.00</b>     |

**c) Disclosure of related party balances :**

(₹ in Lakhs)

| Particulars  | 2023-2024     | 2022-2023    |
|--|---------------|--------------|
| i) Trade Receivables   |               |              |
| IPCA Laboratories Ltd  | 176.05        | -            |
| Bayshore Pharmaceutical (subsidiary of IPCA Laboratories Ltd)      | 231.58        | -            |
|  | <b>407.63</b> | <b>-</b>     |
| ii) Trade Payables   |               |              |
| IPCA Laboratories Ltd  | 383.60        | -            |
| Bayshore Pharmaceutical (subsidiary of IPCA Laboratories Ltd)      | 417.54        | -            |
|  | <b>801.14</b> | <b>-</b>     |
| iii) Deposits paid   |               |              |
| Relative of Key Management Personnel                               |               |              |
| Mrs. Anita Mody  | -             | 45.90        |
| Enterprise under significant influence of Key Management Personnel |               |              |
| Uni - Distributors Pvt. Ltd.                                       | -             | 5.00         |
| Uni Trust  | -             | 2.25         |
|  | <b>-</b>      | <b>53.15</b> |
| iv) Other Current Liabilities                                      |               |              |
| Key Management Personnel   |               |              |
| Dr. Prakash A. Mody  | -             | 72.59        |
|  | <b>-</b>      | <b>72.59</b> |
| v) Sitting Fees Payable  |               |              |
| Dr. (Mrs.) B. Kinnera Murthy                                       | -             | -            |
| Mr. Anand Y. Mahajan   | -             | -            |
| Mr. Prafull Anubhai  | -             | -            |
| Mr. Prafull D. Sheth   | -             | -            |
|  | <b>-</b>      | <b>-</b>     |

**d) Contribution to post employment benefit plan :**

(₹ in Lakhs)

| Particulars   | 2023-2024       | 2022-2023     |
|---|-----------------|---------------|
| Post-employment benefit plans                             |                 |               |
| Unichem Laboratories Ltd. - Employees Gratuity Fund       | 1,050.00        | 250.00        |
| Unichem Laboratories Ltd. - Employees Superannuation Fund | 66.05           | 106.94        |
|   | <b>1,116.05</b> | <b>356.94</b> |

**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                                     | 2023-2024     | 2022-2023     |
|---|---------------|---------------|
| i) Salary (including defined contribution plan) |               |               |
| Key Management Personnel                        |               |               |
| Mr. Pradeep Bhandari                            | 98.39         | 96.60         |
| Mr. Sandip Ghume                                | 78.72         | 107.45        |
|   | <b>177.11</b> | <b>204.05</b> |

Notes related to (a) to (e)

- 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.

**46 EARNINGS PER EQUITY SHARE [EPS]**

| Particulars   |       |         | 2023-2024   | 2022-2023   |
|---|-------|---------|-------------|-------------|
| 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               |       | 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 | (7,047.43)  | (20,222.76) |
| Earnings per equity share   |       |         |             |             |
| Basic   | (C/A) | ₹       | (10.01)     | (28.72)     |
| Diluted   | (C/B) | ₹       | (10.01)     | (28.72)     |

Note: In respect of current year, ESOPs are anti-dilutive and therefore, not considered for calculation of diluted earning per share. Also refer note 19.1. 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.

47 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 of 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.

#### 48 LEASE

Disclosure as per Ind AS 116 'Leases' is as given below. Also, refer note 2.17 and 4.

##### As a Lessee

- a) 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 expense charged to the statement of profit & loss in current year is ₹ 25.78 lakhs (P.Y. ₹ 32.58 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 | 2023-2024    | 2022-2023    |
|--|--------------|--------------|
| Lease payment not later than one year  | 12.14        | 10.66        |
| Lease Payment later than one year and not later than five years  | 0.68         | 2.52         |
| Lease Payment later than five years  | -            | -            |
| <b>Total</b>   | <b>12.82</b> | <b>13.18</b> |

- 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 ₹ 90.84 lakhs (P.Y. ₹132.15 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   | 2023-2024 | 2022-2023 |
|---|-----------|-----------|
| Interest expense on lease liabilities (Refer note 34)   | 67.61     | 72.12     |
| Lease expenses in case of short term leases (Refer note 48 (b))   | 90.84     | 132.15    |
| Lease expenses in case of low value leases (other than short term as disclosed above) (Refer note 48 (a)) | 25.78     | 32.58     |
| Lease payments debited to lease liabilities   | 472.07    | 267.88    |
| Total cash outflow for leases [including short term and low value leases]                                 | 656.30    | 504.73    |
| Additions to ROU assets   | 1,696.00  | 150.68    |

- d) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2024 and 31st March, 2023 on an undiscounted basis:

(₹ in Lakhs)

| Particulars   | 2023-2024       | 2022-2023       |
|---|-----------------|-----------------|
| Lease payment not later than one year                           | 530.99          | 574.85          |
| Lease Payment later than one year and not later than five years | 1,715.97        | 769.51          |
| Lease Payment later than five years                             | 2,535.30        | 1,942.81        |
| <b>Total</b>  | <b>4,782.26</b> | <b>3,287.17</b> |

- 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).

#### 49 EMPLOYEE BENEFITS

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, 2024 |                       |                 | As at 31st March, 2023 |                       |                 |
|----------------------|------------------------|-----------------------|-----------------|------------------------|-----------------------|-----------------|
|                      | Current Liability      | Non-Current Liability | Net Liability   | Current Liability      | Non-Current Liability | Net Liability   |
| Gratuity             | 468.16                 | 862.26                | <b>1,330.42</b> | 443.02                 | 1,350.65              | <b>1,793.67</b> |
| Leave entitlements   | 430.53                 | 2,717.97              | <b>3,148.50</b> | 518.21                 | 2,786.20              | <b>3,304.41</b> |
| Long term Bonus      | 75.00                  | -                     | <b>75.00</b>    | 190.22                 | 53.84                 | <b>244.06</b>   |
| <b>Net Liability</b> | <b>973.69</b>          | <b>3,580.23</b>       | <b>4,553.92</b> | <b>1,151.45</b>        | <b>4,190.69</b>       | <b>5,342.14</b> |

The principal assumptions used in determining gratuity benefit obligations for the Holding Company's plans are shown below:

| Particulars                            | Gratuity   |  |
|--|--|--|
|  | 2023-2024  | 2022-2023  |
| Discount rate                          | 7.20%  | 7.40%  |
| Salary growth rate                     | 9.00%  | 9.00%  |
| Expected rate of return on Plan assets | 7.40%  | 7.40%  |
| Withdrawal rate                        | 15% at younger ages<br>reducing to 2%<br>at older ages | 15% at younger ages<br>reducing to 2%<br>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<br>31st March, 2024 | As at<br>31st March, 2023 |
| Present value of funded obligations | 3,452.78                  | 3,827.27                  |
| Fair value of plan assets           | 2,122.36                  | 2,033.59                  |
| <b>Net Liability (Asset)</b>        | <b>1,330.42</b>           | <b>1,793.68</b>           |

Amount charge to statement of Profit and loss:

(₹ in Lakhs)

| Particulars  | Gratuity      |               |
|--|---------------|---------------|
|  | 2023-2024     | 2022-2023     |
| Current service cost   | 443.02        | 439.57        |
| Net interest cost  | 116.34        | 101.03        |
| <b>Total Charge to statement of P&amp;L (included in employee benefit expense)</b> | <b>559.36</b> | <b>540.60</b> |

Amount charged to Other Comprehensive Income:

(₹ in Lakhs)

| Particulars   | Gratuity     |                 |
|---|--------------|-----------------|
|   | 2023-2024    | 2022-2023       |
| Components of actuarial gain/(loss) on obligations:                 |              |                 |
| Due to Change in financial assumptions                              | 54.33        | (178.81)        |
| Due to change in demographic assumption                             | -            | -               |
| Due to experience adjustments                                       | 32.53        | 65.67           |
| Return on plan assets excluding amounts included in interest income | (59.48)      | (111.49)        |
| <b>Amounts recognised in Other Comprehensive Income</b>             | <b>27.38</b> | <b>(224.63)</b> |

Reconciliation of defined benefit obligation:

(₹ in Lakhs)

| Particulars  | Gratuity        |                 |
|--|-----------------|-----------------|
|  | 2023-2024       | 2022-2023       |
| <b>Opening Defined Benefit Obligation</b>                    | <b>3,827.28</b> | <b>3,508.69</b> |
| Current service cost   | 443.02          | 439.57          |
| Interest cost  | 240.46          | 198.89          |
| Actuarial loss/(gain) due to change in financial assumptions | 54.33           | (178.81)        |
| Due to change in demographic assumption                      | -               | -               |
| Actuarial loss/ (gain) due to experience adjustments         | 32.53           | 65.67           |
| Benefits paid  | (1,144.83)      | (206.73)        |
| <b>Closing Defined Benefit Obligation</b>                    | <b>3,452.79</b> | <b>3,827.28</b> |

Reconciliation of plan assets:

(₹ in Lakhs)

| Particulars                           | Gratuity        |                 |
|---------------------------------------|-----------------|-----------------|
|                                       | 2023-2024       | 2022-2023       |
| <b>Opening value of plan assets</b>   | <b>2,033.60</b> | <b>1,780.99</b> |
| Interest Income                       | 124.11          | 97.85           |
| Return on plan assets excluding above | 59.48           | 111.49          |
| Contributions by employer             | 1,050.00        | 250.00          |
| Benefits paid                         | (1,144.83)      | (206.73)        |
| <b>Closing value of plan assets</b>   | <b>2,122.36</b> | <b>2,033.60</b> |

Sensitivity analysis:

| Assumptions        | Change in assumptions |            | Increase/(decrease) in defined benefit obligation |           |
|--------------------|-----------------------|------------|---|-----------|
|                    | Increase/decrease     | Percentage | 2023-2024   | 2022-2023 |
| Discount rate      | Increase by           | 0.5%       | -3.86%  | -3.07%    |
|                    | Decrease by           | 0.5%       | 4.13%   | 3.29%     |
| Salary growth rate | Increase by           | 0.5%       | 4.03%   | 3.22%     |
|                    | Decrease by           | 0.5%       | -3.81%  | -3.04%    |
| Withdrawal rate    | Increase by           | 10%        | -0.81%  | -0.64%    |
|                    | Decrease by           | 10%        | 0.88%   | 0.69%     |

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  | 2023-2024 | 2022-2023 |
|--|-----------|-----------|
| Expected contribution for the next year (₹ lakhs)                | 468.16    | 443.02    |
| Weighted average duration for defined benefit obligation (years) | 7.76      | 6.22      |

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.

## 50 SHARE BASED PAYMENT PLANS (ESOP)

(i) During the year ended 31st March, 2024 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       | 01.07.2023   |
| Number granted      | 5,00,000   |
| Contractual life    | 1-3 Years  |
| Vesting condition   | As decided by Board/ Compensation Committee based on various factors |

(ii) Summary of stock option are as follows:

| Particulars   | ESOP 2018       |                  |
|---|-----------------|------------------|
|   | 2023-2024       | 2022-2023        |
| Option outstanding at the beginning of the year (Nos.)                    | 15,12,224       | 15,12,224        |
| Granted during the year (Nos.)  | 5,00,000        | -                |
| Exercised during the year (Nos.)  | -               | -                |
| Lapsed during the year (Nos.)   | -               | -                |
| Surrendered/ Forfeited during the year (Nos.)                             | 15,12,224       | -                |
| <b>Option outstanding at the end of the year (Nos.) (refer note 19.1)</b> | <b>5,00,000</b> | <b>15,12,224</b> |
| Vested and exercisable at the end of the year (Nos.)                      | -               | -                |
| Weighted Average Exercise Price (₹)                                       | 370             | 250              |
| Weighted Average Fair Value of Option at the measurement date * (₹)       | 122             | 80               |

\* The fair value at grant date is determined using the Black-Scholes-Merton Option Pricing Model which takes into account the market price of the optioned stock, exercise price, expected life of the option and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

During the year ended 31st March, 2024, outstanding ESOP at the beginning of the year have been surrendered by the employees to the Company. Further, the Company has granted 5,00,000 stock options to the employee of the Company's WOS.

(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    |                  |
|----------------|------------------|-------------|--------------------|-----------------|------------------|
|                |                  |             |                    | 2023-2024       | 2022-2023        |
| 6th Aug, 2018  | 30th June, 2024  | ESOP 2018   | 250                | -               | 7,56,112         |
| 6th Aug, 2018  | 30th June, 2024  | ESOP 2018   | 250                | -               | 7,56,112         |
| 1st July, 2023 | 30th Sept., 2025 | ESOP 2018   | 370                | 2,50,000        | -                |
| 1st July, 2023 | 31st July, 2026  | ESOP 2018   | 370                | 1,25,000        | -                |
| 1st July, 2023 | 31st July, 2027  | ESOP 2018   | 370                | 1,25,000        | -                |
| <b>Total</b>   |                  |             |                    | <b>5,00,000</b> | <b>15,12,224</b> |

(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:

| Particulars                | (₹ in Lakhs)  |               |
|----------------------------|---------------|---------------|
|                            | 2023-2024     | 2022-2023     |
| Employee stock option plan | 308.46        | 104.93        |
| <b>Total</b>               | <b>308.46</b> | <b>104.93</b> |

## 51 RESEARCH & DEVELOPMENT EXPENDITURE

i) Total Research and Development expenditure including amount incurred at units approved by Department of Scientific & Industrial Research :

| Particulars   | (₹ in Lakhs)     |                  |
|---|------------------|------------------|
|   | 2023-2024        | 2022-2023        |
| Materials   | 3,586.33         | 3,312.34         |
| Salaries, wages and Ex-gratia                       | 3,158.54         | 3,740.24         |
| Contribution to Provident fund and other Funds      | 227.52           | 221.99           |
| Employee's welfare expenses                         | 56.10            | 60.51            |
| Rent  | 5.38             | 15.60            |
| Insurance   | 44.59            | 44.85            |
| Rates and Taxes                                     | 15.92            | 14.11            |
| Repairs:  |                  |                  |
| Plant and machinery                                 | 53.20            | 88.00            |
| Others  | 285.59           | 243.67           |
| Power and fuel                                      | 323.53           | 386.07           |
| Travelling and conveyance                           | 20.63            | 40.57            |
| Legal & Professional Expenses                       | 332.74           | 233.51           |
| Others (depreciation, bioequivalence studies, etc.) | 2,356.63         | 2,538.35         |
| <b>Total</b>  | <b>10,466.70</b> | <b>10,939.81</b> |

- 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   | 2023-2024       | 2022-2023       |
|---|-----------------|-----------------|
| Materials   | 2,407.36        | 2,416.94        |
| Salaries, wages and Ex-gratia                       | 3,122.06        | 3,654.79        |
| Contribution to Provident fund and other Funds      | 225.68          | 219.94          |
| Employee's welfare expenses                         | 55.34           | 59.59           |
| Rent  | 2.56            | 15.60           |
| Insurance   | 32.54           | 35.06           |
| Rates and Taxes                                     | 15.92           | 14.11           |
| Repairs:  |                 |                 |
| Plant and machinery                                 | 51.19           | 83.63           |
| Others  | 284.58          | 230.99          |
| Power and fuel                                      | 289.87          | 330.33          |
| Travelling and conveyance                           | 20.63           | 40.57           |
| Legal & Professional Expenses                       | 332.74          | 233.50          |
| Others (depreciation, bioequivalence studies, etc.) | 1,932.09        | 2,102.13        |
| <b>Total</b>  | <b>8,772.56</b> | <b>9,437.18</b> |

## 52 FINANCIAL INSTRUMENTS

- i) The carrying value and fair value of financial instruments by category is as follows :

(₹ in Lakhs)

| Particulars   | As at 31st March, 2024 |                  | As at 31st March, 2023 |                  |
|---|------------------------|------------------|------------------------|------------------|
|   | Carrying amount        | Fair value       | Carrying amount        | Fair value       |
| <b>Financial assets:*</b>   |                        |                  |                        |                  |
| <b>Amortised cost</b>   |                        |                  |                        |                  |
| Cash and cash equivalents   | 2,417.61               | 2,417.61         | 3,371.68               | 3,371.68         |
| Other bank balances   | 341.02                 | 341.02           | 161.07                 | 161.07           |
| Trade receivables   | 61,039.87              | 61,039.87        | 58,862.17              | 58,862.17        |
| Loans   | 16.69                  | 16.69            | 18.38                  | 18.38            |
| Other Financial Assets  | 612.33                 | 612.33           | 733.00                 | 733.00           |
| <b>Fair value through profit or loss</b>                          |                        |                  |                        |                  |
| Investments in mutual funds (including Cash and cash equivalents) | 12,807.49              | 12,807.49        | 15,157.10              | 15,157.10        |
| Investments in equity instruments                                 | 2.00                   | 2.00             | 16.09                  | 16.09            |
| Derivative Instruments  | -                      | -                | 69.26                  | 69.26            |
| <b>Fair value through OCI</b>                                     |                        |                  |                        |                  |
| Investments in equity instruments                                 | -                      | -                | -                      | -                |
| <b>Total</b>  | <b>77,237.01</b>       | <b>77,237.01</b> | <b>78,388.75</b>       | <b>78,388.75</b> |
| <b>Financial liabilities :</b>                                    |                        |                  |                        |                  |
| <b>Amortised cost</b>   |                        |                  |                        |                  |
| Borrowings  | 21,914.92              | 21,914.92        | 29,739.25              | 29,739.25        |
| Lease liabilities   | 2,836.50               | 2,836.50         | 1,665.26               | 1,665.26         |
| Trade payables  | 29,936.92              | 29,936.92        | 29,068.60              | 29,068.60        |
| Other financial liabilities                                       | 2,784.48               | 2,784.48         | 4,561.86               | 4,561.86         |
| <b>Fair value through profit or loss</b>                          |                        |                  |                        |                  |
| Derivative Instruments  | 132.79                 | 132.79           | -                      | -                |
| <b>Total</b>  | <b>57,605.61</b>       | <b>57,605.61</b> | <b>65,034.97</b>       | <b>65,034.97</b> |

\* 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, 2024**

(₹ in Lakhs)

| Particulars                          | Level 1   | Level 2 | Level 3 | Total     |
|--------------------------------------|-----------|---------|---------|-----------|
| <b>Financial Assets</b>              |           |         |         |           |
| Investment in equity instruments     | -         | -       | 2.00    | 2.00      |
| Investments in mutual funds          | 12,807.49 | -       | -       | 12,807.49 |
| Derivative Instruments (gain)        | -         | -       | -       | -         |
| <b>Financial Liabilities</b>         |           |         |         |           |
| Derivative Instruments (gain) / loss | -         | 132.79  | -       | 132.79    |

**Fair value hierarchy as at 31st March, 2023**

(₹ in Lakhs)

| Particulars                          | Level 1   | Level 2 | Level 3 | Total     |
|--------------------------------------|-----------|---------|---------|-----------|
| <b>Financial Assets</b>              |           |         |         |           |
| Investment in equity instruments     | 14.09     | -       | 2.00    | 16.09     |
| Investments in mutual funds          | 15,157.10 | -       | -       | 15,157.10 |
| <b>Financial Liabilities</b>         |           |         |         |           |
| Derivative Instruments (gain) / loss | -         | (69.26) | -       | (69.26)   |

**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.

**53 FINANCIAL RISK MANAGEMENT**

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:

(₹ in Lakhs)

| As at 31st March, 2024                | USD              | Euro            | Others*       | Total            |
|---------------------------------------|------------------|-----------------|---------------|------------------|
| Assets                                |                  |                 |               |                  |
| Trade Receivables and vendor advances | 50,786.12        | 1,864.99        | 181.37        | 52,832.48        |
| <b>Total</b>                          | <b>50,786.12</b> | <b>1,864.99</b> | <b>181.37</b> | <b>52,832.48</b> |
| Liabilities                           |                  |                 |               |                  |
| Trade Payables and customer advances  | 1,730.68         | 433.26          | 22.67         | 2,186.61         |
| Borrowings                            | 6,413.90         | -               | -             | 6,413.90         |
| <b>Total</b>                          | <b>8,144.58</b>  | <b>433.26</b>   | <b>22.67</b>  | <b>8,600.51</b>  |
| <b>Net Assets / Liabilities</b>       | <b>42,641.54</b> | <b>1,431.73</b> | <b>158.70</b> | <b>44,231.97</b> |

\* Others mainly include currency namely GBP, ZAR, CAD & CHF

(₹ in Lakhs)

| 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        |
| <b>Total</b>                          | <b>23,074.27</b> | <b>2,397.03</b> | <b>78.21</b> | <b>25,549.51</b> |
| Liabilities                           |                  |                 |              |                  |
| Trade Payables and customer advances  | 3,736.61         | 529.21          | 3.04         | 4,268.86         |
| Borrowings                            | 1,236.30         | -               | -            | 1,236.30         |
| <b>Total</b>                          | <b>4,972.91</b>  | <b>529.21</b>   | <b>3.04</b>  | <b>5,505.16</b>  |
| <b>Net Assets / Liabilities</b>       | <b>18,101.36</b> | <b>1,867.82</b> | <b>75.17</b> | <b>20,044.35</b> |

\*\* Others mainly include currency namely GBP, ZAR & CAD

#### Sensitivity analysis

(₹ in Lakhs)

| Particulars                                    | Foreign Currency Sensitivity |         |        |                        |         |        |
|--|------------------------------|---------|--------|------------------------|---------|--------|
|  | As at 31st March, 2024       |         |        | As at 31st March, 2023 |         |        |
|  | USD                          | Euro    | Others | USD                    | Euro    | Others |
| 1% Appreciation in INR Impact on Profit & Loss | (426.42)                     | (14.32) | (1.59) | (181.01)               | (18.68) | (0.75) |
| 1% Depreciation in INR Impact on Profit & Loss | 426.42                       | 14.32   | 1.59   | 181.01                 | 18.68   | 0.75   |

#### 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, 2024. In previous year, there were two external third party customers which contributed to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries).

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, 2024      | In 1 year        | More than 1 year | Total            |
|-----------------------------|------------------|------------------|------------------|
| Trade Payable               | 29,936.92        | -                | 29,936.92        |
| Borrowings                  | 18,092.71        | 3,822.21         | 21,914.92        |
| Lease liabilities           | 421.24           | 2,415.26         | 2,836.50         |
| Other financial liabilities | 2,917.27         | -                | 2,917.27         |
| <b>Total</b>                | <b>51,368.14</b> | <b>6,237.47</b>  | <b>57,605.61</b> |

(₹ 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         |
| <b>Total</b>                | <b>57,520.76</b> | <b>7,514.21</b>  | <b>65,034.97</b> |

**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, 2024 and 31st March, 2023.

#### 54 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

##### (a) As at and for the year ended 31st March, 2024

| 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        |
| <b>Parent</b>   |  |                    |                                     |                   |   |                 |   |                   |
| Unichem Laboratories Ltd.                               | 97.1%  | 2,29,462.60        | 130.8%                              | (9,218.03)        | 9.6%  | (52.75)         | 122.1%  | (9,270.78)        |
| <b>Subsidiaries</b>                                     |  |                    |                                     |                   |   |                 |   |                   |
| <b>Foreign</b>  |  |                    |                                     |                   |   |                 |   |                   |
| Niche Generics Limited.                                 | -0.2%  | (377.99)           | -8.2%                               | 576.64            | 4.2%  | (23.14)         | -7.3%   | 553.50            |
| Unichem SA Pty Ltd.                                     | 0.1%   | 267.10             | 0.6%                                | (39.27)           | 3.0%  | (16.39)         | 0.7%  | (55.66)           |
| Unichem Farmaceutica Do Brasil Ltda                     | 0.0%   | (91.52)            | -10.7%                              | 755.41            | 5.0%  | (27.21)         | -9.6%   | 728.20            |
| Unichem Pharmaceuticals (USA) Inc .                     | 9.6%   | 22,645.97          | -38.7%                              | 2,724.58          | -54.0%  | 295.70          | -39.8%  | 3,020.29          |
| Unichem Laboratories Limited. (Incorporated in Ireland) | 0.0%   | (46.13)            | -1.6%                               | 112.75            | 0.1%  | (0.35)          | -1.5%   | 112.40            |
| Unichem (China) Pvt Ltd.                                | 0.0%   | 35.31              | 2.7%                                | (193.70)          | 1.3%  | (7.17)          | 2.6%  | (200.87)          |
| <b>Associate</b>  |  |                    |                                     |                   |   |                 |   |                   |
| Synchron Research Pvt Ltd.                              | -  | -                  | -                                   | -                 | -   | -               | -   | -                 |
| Consolidation Adjustments                               | -6.6%  | (15,653.46)        | 25.1%                               | (1,765.81)        | 130.8%  | (716.10)        | 32.7%   | (2,481.92)        |
| <b>Total</b>  | <b>100%</b>  | <b>2,36,241.88</b> | <b>100%</b>                         | <b>(7,047.43)</b> | <b>100%</b>                                     | <b>(547.41)</b> | <b>100%</b>                                     | <b>(7,594.84)</b> |

Note:

- The amounts given in the table above are from the annual accounts made for the financial year ended 31st March, 2024 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, 2024.

(b) 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         |
| <b>Parent</b>  |  |                    |                                     |                    |   |                 |   |                    |
| Unichem Laboratories Ltd.                                  | 97.9%  | 2,38,427.06        | 148.2%                              | (29,970.15)        | 84.3%   | 3,872.67        | 167.0%  | (26,097.48)        |
| <b>Subsidiaries</b>  |  |                    |                                     |                    |   |                 |   |                    |
| <b>Foreign</b>   |  |                    |                                     |                    |   |                 |   |                    |
| 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.<br>(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)           |
| <b>Associate</b>   |  |                    |                                     |                    |   |                 |   |                    |
| 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           |
| <b>Total</b>   | <b>100%</b>  | <b>2,43,530.41</b> | <b>100%</b>                         | <b>(20,222.76)</b> | <b>100%</b>                                     | <b>4,592.49</b> | <b>100%</b>                                     | <b>(15,630.26)</b> |

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.

55 As on 31st March, 2024, the Holding Company and its subsidiaries have 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, 2024 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

**Bhavin Kapadia**  
Partner  
Membership No.: 118991

Place: Mumbai  
Date: 22nd May, 2024

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

**Dr. Prakash A. Mody**  
Non-Independent Chairman (DIN: 00001285)  
**Pranay Godha**  
Non-Executive, Non-Independent Director (DIN: 00016525)  
**Pabitrakumar Bhattacharyya**  
Managing Director (DIN: 07131152)  
**Sandip Ghume**  
Deputy Chief Financial Officer  
**Pradeep Bhandari**  
Head - Legal & Company Secretary

## 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, 2024                     | 31st March, 2024                      | 31st March, 2024                   | 31st March, 2024       | 31st March, 2024                  | 31st March, 2024          |
| 4  | Reporting currency   | BRL                                  | EURO                                  | USD                                | GBP                    | ZAR                               | RMB                       |
| 5  | Exchange rate as on the last date of the relevant financial Year | 1 BRL = ₹16.51                       | 1 EURO = ₹ 90.07                      | 1 USD = ₹ 83.30                    | 1 GBP = ₹ 105.14       | 1 ZAR = ₹ 4.25                    | 1 RMB = ₹ 11.39           |
| 6  | Share Capital  | 4,975.07                             | 2,485.93                              | 6,002.84                           | 5,914.13               | 8.08                              | 724.78                    |
| 7  | Reserves & Surplus   | (5,066.59)                           | (2,532.06)                            | 16,643.13                          | (6,292.11)             | 259.03                            | (689.47)                  |
| 8  | Total Assets   | 4,297.90                             | 288.09                                | 66,885.46                          | 6,879.20               | 624.26                            | 50.89                     |
| 9  | Total Liabilities  | 4,389.42                             | 334.21                                | 44,239.49                          | 7,257.19               | 357.16                            | 15.58                     |
| 10 | Investments  | -                                    | -                                     | -                                  | -                      | -                                 | -                         |
| 11 | Turnover   | 9,050.78                             | 813.82                                | 99,793.70                          | 10,254.82              | 986.71                            | -                         |
| 12 | Profit/ (Loss) before Taxation                                   | 1,007.83                             | 112.75                                | 3,367.51                           | 576.64                 | (53.80)                           | (193.70)                  |
| 13 | Provision for Taxation   | (252.42)                             | -                                     | (642.93)                           | -                      | 14.53                             | -                         |
| 14 | Profit/ (Loss) after Taxation                                    | 755.41                               | 112.75                                | 2,724.58                           | 576.64                 | (39.27)                           | (193.70)                  |
| 15 | Proposed Dividend  | Nil                                  | Nil                                   | Nil                                | Nil                    | Nil                               | Nil                       |
| 16 | % of share holding   | 100                                  | 100                                   | 100                                | 100                    | 100                               | 100                       |

#### Notes:

- Name 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 9 are given based on the exchange rates as on 31st March, 2024 and the Indian rupee equivalents of the figures in serial no. 11 to 14 are given based on the yearly average exchange rates.
- With effect from financial year ending 31st March, 2024, Turnover figures include Other 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, 2023  |
| 3 | Shares of Associate held by the company on the year end:<br>No. of shares<br>Amount of investment in Associates (Net of provision of impairment)<br>Extent of Holding % | 2,08,333<br>Nil<br>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  | ₹ (67.37) Lakhs   |
| 7 | Profit/Loss for the year:<br>i. Considered in Consolidation (as per unaudited financial statements for FY 2023-24)<br>ii. Not considered in Consolidation               | Nil. Also refer para 11 of 'Independent Auditor's Report on the Audit of the Consolidated Financial Statement'.<br>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

**Dr. Prakash A. Mody**

Non-Independent Chairman (DIN: 00001285)

**Pranay Godha**

Non-Executive, Non-Independent Director (DIN: 00016525)

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sandip Ghume**

Deputy Chief Financial Officer

**Pradeep Bhandari**

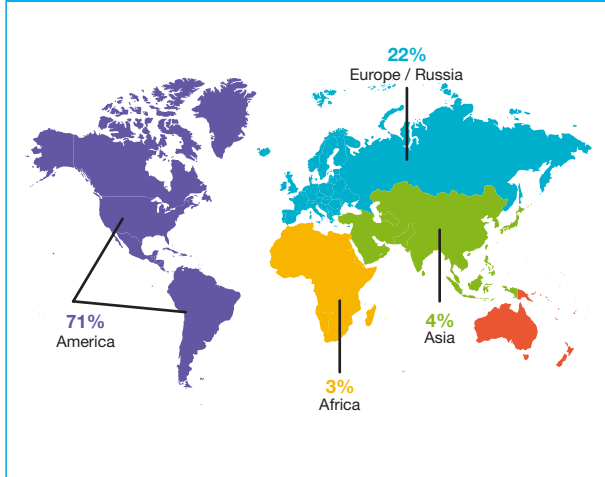
Head - Legal & Company Secretary

Place: Mumbai  
Date: 22nd May, 2024

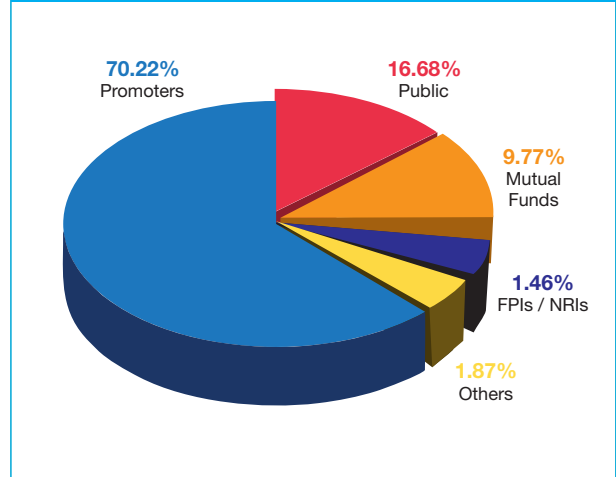




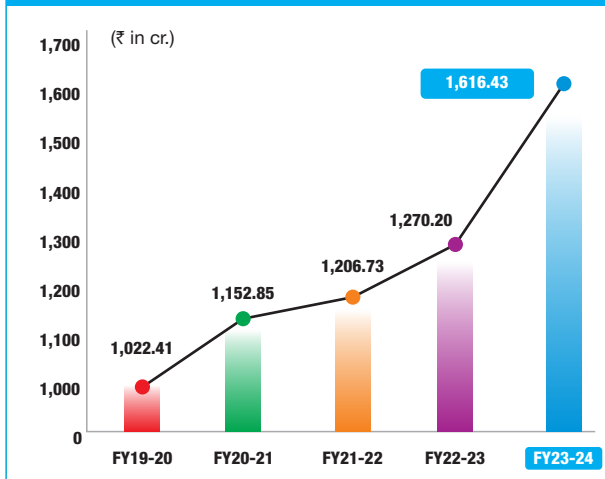
### EXPORTS BY REGION



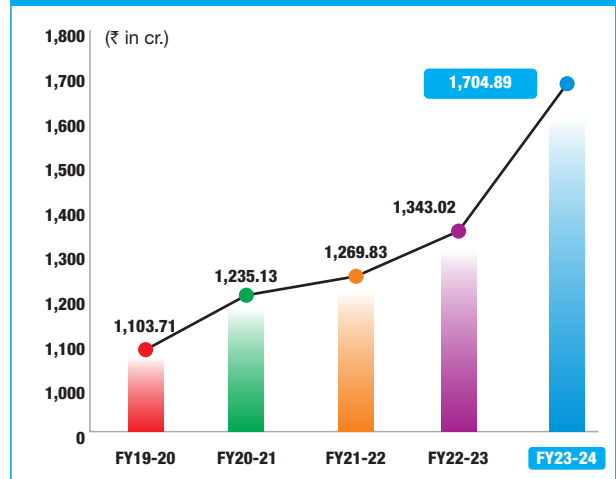
### SHAREHOLDING PATTERN



### TOTAL EXPORTS



### TOTAL REVENUE



# Plant Locations

## 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

## Formulation Plants

### GHAZIABAD

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

### GOA

Plot No.10, 11, 12 to14, 15 to 18 & 17(A)  
Pilerne Industrial Estate  
Pilerne, Bardez - 403 511, Goa

### BADDI

Bhatauli Kalan  
District Solan, Baddi - 173205  
Himachal Pradesh



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