



**UNICHEM**  
LABORATORIES LTD.



# ANNUAL REPORT

2024-2025



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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 Tadarwal	Independent Director
Mrs. Priti Puri	Independent Director
Mr. Pabitrakumar Bhattacharyya	Managing Director

Mr. Sanjay Jain	Chief Financial Officer
Mr. Pradeep Bhandari	Head – Legal & Company Secretary

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

47, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067

Tel.: (022) 6647 4100

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

## Registrar and Share Transfer Agents

### MUFG 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@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com)

## Board Committees

### Audit Committee

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

### Nomination and Remuneration Committee

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

### Risk Management Committee

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

### Stakeholders Relationship Committee

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

### Corporate Social Responsibility Committee

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

## Five-Year Financial Highlights (Standalone)

(₹ in crores)

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
<b>Total Income</b>	1,171.34	984.99	1,114.28	1,472.55	1,776.53
<b>Domestic Income</b>	129.89	107.06	115.98	120.91	128.48
<b>Export Income</b>	1,041.45	877.93	998.30	1,351.64	1,648.05
<b>Earning before Interest, Depreciation &amp; Tax #</b>	131.13	(15.22)	(78.37)	60.07	267.52
<b>Profit / (loss) before Tax</b>	65.65	(86.75)	(166.43)	(34.57)	178.68
<b>Net Profit / (loss) after Tax</b>	54.08	(55.43)	(299.70)	(92.18)	162.96
<b>Share Capital</b>	14.08	14.08	14.08	14.08	14.08
<b>Reserves &amp; Surplus</b>	2,683.25	2,657.96	2,370.19	2,280.55	2,445.67
<b>Net Worth</b>	2,697.33	2,672.04	2,384.27	2,294.63	2,459.75
<b>Earnings per share (₹)</b>	7.68	(7.87)	(42.57)	(13.09)	23.15
<b>Book Value per share (₹)</b>	383.11	379.52	338.65	325.92	349.37

# Before Foreign Exchange Gain /Loss

## Five-Year Financial Highlights (Consolidated)

(₹ in crores)

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
<b>Total Income</b>	1,285.32	1,317.34	1,381.54	1,816.70	2,146.29
<b>Domestic Income</b>	132.48	110.61	111.32	120.05	122.56
<b>Export Income</b>	1,152.84	1,206.73	1,270.22	1,696.65	2,023.73
<b>Earning before Interest, Depreciation &amp; Tax #</b>	130.41	99.10	(30.94)	96.07	278.62
<b>Profit / (loss) before Tax</b>	51.48	21.97	(137.80)	(27.35)	154.59
<b>Net Profit / (loss) after Tax</b>	34.32	33.06	(202.23)	(93.76)	137.52
<b>Share Capital</b>	14.08	14.08	14.08	14.08	14.08
<b>Reserves &amp; Surplus</b>	2,542.75	2,604.33	2,421.22	2,424.22	2,436.51
<b>Net Worth</b>	2,556.83	2,618.41	2,435.30	2,438.30	2,450.59
<b>Earnings per share (₹)</b>	4.88	4.70	(28.72)	(13.32)	19.53
<b>Book Value per share (₹)</b>	363.16	371.90	345.90	346.32	348.07

# Before Foreign Exchange Gain /Loss

# NOTICE

**NOTICE** is hereby given that the 62nd Annual General Meeting of the Members of **Unichem Laboratories Limited**, will be held on **Monday, 4th August 2025 at 3.00 p.m. (IST)** through Video Conference ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a) The Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2025 together with the Reports of the Board of Directors and Auditors thereon; and
  - b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2025 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Dr. Prakash A. Mody (DIN: 00001285) who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to Regulation 23(4) read with Regulation 2(1)(zc) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**Listing Regulations**"), the applicable provisions of the Companies Act, 2013 ("**Act**") read with related rules, other applicable laws / statutory provisions, if any, each as amended from time to time, (including any statutory modification, amendment or re-enactment thereof for the time being in force) and the Company's Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and based on the recommendation of the Audit Committee and Board of Directors, the approval of the Members be and is hereby accorded to the Board of Directors of Company to enter into or continue the contract(s)/arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Ipca Laboratories Limited ("**Ipca**"), holding company of Unichem Laboratories Limited ("**Unichem**"), a related party within the meaning of Section 2(76) of the Act and under Regulation 2(1)(zb) of the Listing Regulations more specifically set out in the explanatory statement to this resolution on the material terms & conditions set out therein, for a) sale, purchase, supply of materials, goods, assets or equipment's; b) availing or rendering of services; c) loans/ advances/ guarantees; d) lease and license; e) transfer of any resources, services and other transactions or obligations to meet its business objectives/ requirements; f) contract manufacturing services and other transactions for the business ("**Related Party Transactions**") on such terms and conditions as may be agreed between Unichem and Ipca, up to a maximum aggregate value of ₹ 500 crores (Rupees Five Hundred crores only) for the FY 2026, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length and in the ordinary course of business of the Company;

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised to delegate all or any of the powers herein conferred under this resolution to any Committee of Directors of the Company or any Director(s) or Chief Financial Officer, Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company and to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) for and on behalf of the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

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

**"RESOLVED THAT** pursuant to Regulation 23(4) read with Regulation 2(1)(zc) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**Listing Regulations**"), the applicable provisions of the Companies Act, 2013 ("**Act**") read with related rules, other applicable laws / statutory provisions, if any, each as amended from time to time, (including any statutory modification, amendment or re-enactment thereof for the time being in force) and the Company's Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and based on the recommendation of the Audit Committee and Board of Directors, the approval of the Members be and is hereby accorded to the Board of Directors of Company to enter into or continue the contract(s)/arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) between Ipca Laboratories Limited ("**Ipca**"), holding company of Unichem Laboratories

Limited ("**Unichem**") and Unichem Pharmaceuticals (USA) Inc. ("**Unichem USA**") (wholly owned subsidiary of Unichem), a related party within the meaning of Section 2(76) of the Act and under Regulation 2(1)(zb) of the Listing Regulations more specifically set out in the explanatory statement to this resolution on the material terms & conditions set out therein for a) purchase/sale/supply of materials, goods, assets or equipments; b) availing or rendering of services; c) loans/advances/guarantees; d) transfer of any resources, services and other transactions or obligations to meet its business objectives/requirements; e) lease and license; f) contract manufacturing services and other transactions for the business to be entered into and/or to be executed and/or continue between Ipca and Unichem USA, up to a maximum aggregate value of ₹ 300 crores (Rupees Three Hundred crores only) for the FY 2026 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length and in the ordinary course of business of the Companies."

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

**"RESOLVED THAT** pursuant to Regulation 23(4) read with Regulation 2(1)(zc) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**Listing Regulations**"), the applicable provisions of the Companies Act, 2013 ("**Act**") read with related rules, other applicable laws / statutory provisions, if any, each as amended from time to time, (including any statutory modification, amendment or re-enactment thereof for the time being in force) and the Company's Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and based on the recommendation of the Audit Committee and Board of Directors, the approval of the Members be and is hereby accorded to the Board of Directors of Company to enter into or continue the contract(s)/arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Unichem Pharmaceuticals (USA) Inc. ("**Unichem USA**"), wholly owned subsidiary of the Company; accordingly a related party within the meaning of Section 2(76) of the Act and under Regulation 2(1)(zb) of the Listing Regulations, more specifically set out in the explanatory statement to this resolution on the material terms & conditions set out therein for a) purchase/sale/supply of materials, goods, assets or equipments; b) availing or rendering of services; c) loans/advances/guarantees; d) transfer of any resources, services and other transactions or obligations to meet its business objectives / requirements; e) lease and license; f) contract manufacturing services and other transactions for the business ("**Related Party Transactions**") on such terms and conditions as may be agreed between the Unichem Laboratories Limited and Unichem USA, up to a maximum aggregate value of ₹ 1,600 crores (Rupees One Thousand Six Hundred crores only) for the FY 2026, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length and in the ordinary course of business of the Company;

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised to delegate all or any of the powers herein conferred under this resolution to any Committee of Directors of the Company or any Director(s) or Chief Financial Officer, Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company and to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken for and behalf of the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

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

**"RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s Alwyn Jay & Co., a firm of Practicing Company Secretaries (firm registration no. P2010MH021500) be and is hereby appointed as the Secretarial Auditors of the Company, for a term of five consecutive financial years commencing from 1st April 2025 till 31st March 2030 at such remuneration plus applicable taxes and other out-of-pocket expenses as may be determined by the Board of Directors of the Company (including its Committee thereof) in consultation with the Secretarial Auditors;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

7. 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 2026, 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 2025

**Registered Office:**

47, Kandivli Industrial Estate,  
Kandivli (West), Mumbai – 400 067,  
Maharashtra, India

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), which sets out details relating to Item Nos. 3 to 7 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.
2. 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 62nd AGM shall be Plot 125, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400067.
3. 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 2025 and Notice of the 62nd 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 62nd 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 FY 2025 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).

4. 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 (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. Monday, 4th August 2025. 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. Registrar and Transfer Agent ("RTA"):  
The name of the RTA has been changed from "Link Intime India Private Limited" to "MUFG Intime India Private Limited" with effect from 31st December 2024 upon acquisition of Link group by Mitsubishi UFJ Trust & Banking Corporation.
11. Instructions for Shareholders for remote e-Voting and joining the AGM are as under:  
The remote e-Voting period begins on **Friday, 1st August 2025 at 9:00 a.m.** and ends on **Sunday, 3rd August 2025 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. **Monday, 28th July 2025** 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 Monday, 28th July 2025. 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) For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a> . You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository

Type of Shareholders	Login Method
	<p>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> <ol style="list-style-type: none"> <li>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 &amp; voting during the meeting.</li> <li>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></li> <li>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.</li> <li>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.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol>

<b>Individual Shareholders (holding securities in demat mode) login through depository participants</b>	You can also login using the login credentials of your demat account through your DP's 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 & voting during the meeting.
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**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.**

<b>For CDSL</b>	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.
<b>For NSDL</b>	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.

**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:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is</b>
a. For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID. 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 134195 then user ID is 134195001***.

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. 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. **Monday, 28th July 2025** 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. **Monday, 28th July 2025** 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 RTA, MUFG 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 **Tuesday, 29th July 2025 (9:00 a.m. IST) to Friday, 1st August 2025 (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.
12. 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).

13. Members are requested to address all correspondence in connection with shares held by them, to the Company's RTA viz., MUFG 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
14. 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>

15. Members are requested to do following, if not done yet:
- 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/unpaid dividend through ECS / NEFT and prevent fraudulent encashment of dividend warrants.
  - 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 RTA, for assistance in this regard.
  - Update Permanent Account Number (PAN) against folio / demat account as also for deletion of name of deceased holder, transmission / transposition of shares.
  - 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.
16. NRI Members are requested to inform the RTA immediately:
- 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
  - 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 2025

**Registered Office:**

47, Kandivli Industrial Estate,  
Kandivli (West), Mumbai – 400 067,  
Maharashtra, India

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No. 3, 4 and 5**

Regulation 23(4) of Listing Regulations as amended provides that all material related party transactions and subsequent material modifications as defined by the Audit Committee under sub-regulation (2) of Regulation 23 shall require prior approval of the shareholders / members by means of an Ordinary resolution. A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds ₹ 1,000 crores or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

It is in the above context that the Resolutions at Item Nos. 3, 4 and 5 are proposed for the approval of the Shareholders of the Company.

The Audit Committee of the Company and the Board of Directors, based on relevant details provided by the management, at their meetings held on 6th February 2025 and 22nd May 2025 respectively approved the said proposed related party transaction(s), while noting that these transactions are on a arms' length basis and in the ordinary course of business and are in accordance with Company's Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions.

The Audit Committee of the Company reviews on a quarterly basis, the details of all related party transactions entered into by the Company pursuant to its approvals.

In addition to the transactions set out in the table below, approval of the members is also sought for any other transactions between the parties for transfer of resources, services and obligations in the ordinary course of business, on arm's length basis and in compliance with applicable laws, as approved by the Audit Committee. The values of such additional transactions are included in the values set out in the table below. The value of transactions with parties specified in Annexures 1, 2 & 3 for the period commencing from 1st April 2025 are within the materiality threshold limit.

The details of transactions that requires approval are set forth in "Annexures 1, 2 & 3" which are appended below:

Unichem Laboratories Limited ("Unichem") is a subsidiary company of Ipca Laboratories Limited ("Ipca") and accordingly Unichem's subsidiary will also be treated as related party under Regulation 2(1)(zb) of the Listing Regulations.

The business and product portfolios of Unichem and Ipca are highly complementary, to each other's strengths. Unichem having a strong track record of quality align well with Ipca's core cost competencies in APIs and formulations. Together, with combined resources, large basket of products and wide market presence of Ipca globally, will enable your Company to enter into new markets with deep penetration and apart from reinforcing its positions in existing ones.

The related party transactions are expected to facilitate seamless business operations by ensuring a steady and uninterrupted supply of goods and services in the desired quality and quantity. Additionally, these transactions will contribute to revenue generation and further strengthen overall business performance.

The combined strengths of the Company and Ipca will unlock significant resources, empowering them to pursue more ambitious projects and invest in advanced technologies. This strategic synergy will enhance cost competitiveness and position them as a trusted business partner on a global scale.

#	Description	Annexure 1 (for item no. 3)	Annexure 2 (for item no. 4)	Annexure 3 (for item no. 5)
1	Details of summary of information provided by the management to the Audit Committee			
a	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Ipca is holding 52.67% of the paid-up equity share capital and is a holding company of the Unichem.	Ipca is holding company of Unichem. Unichem USA is wholly owned subsidiary of Unichem and a step-down subsidiary of Ipca.	Unichem USA is wholly owned subsidiary of Unichem.

#	Description	Annexure 1 (for item no. 3)	Annexure 2 (for item no. 4)	Annexure 3 (for item no. 5)
b	Name of the director or key managerial personnel who is related, if any and nature of relationship	Mr. Pranay Godha is Managing Director / CEO of Ipca & Director of Unichem. Mr. Pabitrakumar Bhattacharyya is Managing Director of Unichem and President Operations (API) of Ipca.  Their interest or concern or that of their relatives is limited only to the extent of their holding Directorship/ Shareholding in Unichem and Ipca.	Mr. Pranay Godha is Director of Unichem USA and is also Managing Director/CEO of Ipca. Mr. Pabitrakumar Bhattacharyya is Director of Unichem USA and President Operations (API) of Ipca.  Their interest or concern or that of their relatives is limited only to the extent of their holding Directorship / Shareholding in Unichem USA and Ipca.	Mr. Pranay Godha is Director in both the companies. Mr. Pabitrakumar Bhattacharyya is Managing Director of Unichem and Director of Unichem USA.  Their interest or concern or that of their relatives is limited only to the extent of their holding Directorship/Shareholding in Unichem and Unichem USA.
c	Type of proposed transaction	a. purchase/sale of APIs, formulations, other materials, goods, assets, equipments, services; b. loans/ advances/guarantees against supply of goods/services/ for operations of business; c. lease and license, manufacturing facility on loan license basis; d. transfer of any resources, services or obligations to meet its business objectives/ requirements; e. conversion of materials on job work basis, contract manufacturing services and other transactions for the purpose of business.		
d	Nature, material terms, monetary value and particulars of contracts or arrangement	Transactions on arm's length basis and in the ordinary course of business as well as in compliance with transfer pricing norms with terms and conditions that are generally prevalent in the industry segments that the Company operates in.  These transactions are proposed to be entered during FY 2026 upto maximum aggregate amount of ₹ 500 crores.	These transactions are proposed to be entered during FY 2026 upto maximum aggregate amount of ₹ 300 crores.	These transactions are proposed to be entered during FY 2026 upto maximum aggregate amount of ₹ 1,600 crores.
e	Value of Transaction	Up to ₹ 500 crores in the financial year	Up to ₹ 300 crores in the financial year	Up to ₹ 1,600 crores in the financial year
f	Percentage of Company's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	23.7 % of the annual consolidated turnover of the Unichem for the financial year ended 31st March 2025.	14.2% of the annual consolidated turnover of the Unichem for the financial year ended 31st March 2025.	75.8% of the annual consolidated turnover of the Unichem for the financial year ended 31st March 2025.
g	Percentage of counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	5.6% of the annual consolidated turnover of Ipca for the FY ended 31st March 2025.	3.4% of the annual consolidated turnover of Ipca for the FY ended 31st March 2025.  22.8% of the annual standalone turnover of Unichem USA for the FY ended 31st March 2025.	121.5% of the annual standalone turnover of Unichem USA for the FY ended 31st March 2025.

#	Description	Annexure 1 (for item no. 3)	Annexure 2 (for item no. 4)	Annexure 3 (for item no. 5)
2	Justification for the transaction	<p>Unichem, a subsidiary of Ipca, has established a strong and proven track record with a diverse product portfolio and differentiated capabilities that align well with Ipca's strengths.</p> <p>Ipca is a leading research-driven global pharmaceutical company, with its Active Pharmaceutical Ingredients (APIs) and formulations being marketed in over 100 countries worldwide. The proposed sourcing of APIs / formulations from Ipca is expected to enhance Unichem's competitiveness in the generics segment.</p> <p>With a well-established reputation for cost-effective API manufacturing, Ipca presents a reliable alternative to third-party suppliers currently engaged by Unichem. This strategic shift in sourcing is anticipated to create operational synergies, drive economies of scale, optimize capacity utilization, and ultimately strengthen and expand Unichem's generics business.</p>	<p>Unichem USA will continue to market formulations manufactured by Ipca in the U.S. market. Ipca is currently, having nearly 20 formulations with U.S. approved ANDAs and nearly 25 more ANDA filings of Ipca are in the process of being registered.</p> <p>By marketing Ipca's formulations, Unichem USA will significantly expand its product portfolio in the U.S. market. This strategic initiative is expected to reduce marketing, logistics, warehousing, and other overhead costs as a percentage of sales, as no additional manpower or administrative resources will be required to support the expanded operations.</p> <p>The proposed arrangement will enhance Unichem USA's revenue and profitability, while also strengthen its overall market presence.</p>	<p>Unichem USA, a wholly owned subsidiary of Unichem, was established in March 2004 to market pharmaceutical products in the U.S. All products manufactured by Unichem for the U.S. market are sold through Unichem USA. As a material unlisted subsidiary, Unichem USA plays a significant role in Unichem's operations.</p> <p>The transactions between Unichem and Unichem USA are expected to exceed the threshold prescribed under Regulation 23(1) of the Listing Regulations. Accordingly, shareholder approval is being sought for this material related party transaction. Being a wholly owned subsidiary, the financial statements of Unichem USA are consolidated with those of Unichem and are presented to shareholders at general meetings.</p>

#	Description	Annexure 1 (for item no. 3)	Annexure 2 (for item no. 4)	Annexure 3 (for item no. 5)
3	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:			
i	details of the source of funds in connection with the proposed transaction	Not Applicable		
ii	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments • nature of indebtedness; • cost of funds; and • tenure	Not Applicable		
iii	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable		
iv	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable		
4	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	The proposed related party transactions are ongoing in nature, conducted in the ordinary course of business between the holding and subsidiary companies, and are carried out on an arm's length basis in compliance with applicable transfer pricing regulations. Accordingly, no separate external valuation or agency report has been relied upon.		
5	Any other information that may be relevant	Loans and advances, if given/or availed in the furtherance of the business would be in the ordinary course and in compliance with the provisions of the Act. All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.		

Save and except Dr. Prakash A. Mody, Mr. Pranay Godha and Mr. Pabitrakumar Bhattacharyya, Directors (who are also Directors and / or shareholders of Unichem and / or its subsidiaries) and their relatives, none of the other Director(s) / Key Managerial Personnel(s) of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions nos. 3, 4 and 5.

The Members may note that in terms of the provisions of the Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve resolutions under Item Nos. 3, 4 and 5.

Except as mentioned above, none of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives are, in any way, concerned or interested either directly or indirectly, financially or otherwise in the Resolution mentioned at Item Nos. 3, 4 and 5 of the Notice.

Basis the consideration and approval of the Audit Committee, the Board of Directors recommends the Ordinary Resolution forming part of Item Nos. 3, 4 & 5 of the accompanying Notice for approval of the Members.

**Item No. 6**

In accordance with Section 204 of the Companies Act, 2013 and applicable rules, read with Regulation 24A of the Listing Regulations, every listed company is required to annex a Secretarial Audit Report, issued by a Practicing Company Secretary, to its Board's Report. Accordingly, the Board of Directors appointed M/s. Alwyn Jay & Co., Practicing Company Secretaries, as the Secretarial Auditors of the Company for the FY 2025. The Secretarial Audit Report, as issued by them, forms part of the Board's Report and is included in the Annual Report.

SEBI, through its notification dated December 12, 2024, amended the Listing Regulations. As per the amended provisions, listed companies are now required to obtain shareholders' approval, in addition to the Board's approval, for the appointment of Secretarial Auditors. Furthermore, the appointed Secretarial Auditor must be a peer-reviewed Practicing Company Secretary and must not be subject to any disqualifications as specified by SEBI.

In view of the above, and based on the recommendation of the Audit Committee, the Board of Directors has proposed the appointment of M/s. Alwyn Jay & Co., a firm of Practicing Company Secretaries, as the Secretarial Auditors of the Company for a term of five consecutive financial years, commencing from 1st April 2025 to 31st March 2030.

M/s. Alwyn Jay & Co (Firm Registration Number: P2010MH021500), a Secretarial Audit Firm, established in the year 2010, is a reputed firm of Company Secretaries. Specialization of the firm includes, but not limited to, Secretarial Audit, Corporate laws & taxation, Securities law including Corporate Governance & CSR, Capital markets, RBI, etc.

With a wide range of clients, including listed and multinational companies, its strength is its team of qualified, experienced professionals with expert domain knowledge. The firm is Peer reviewed and Quality reviewed in terms of the guidelines issued by the Institute of Companies Secretaries of India ("ICSI").

M/s. Alwyn Jay & Co., have consented to the said appointment and confirmed that their appointment, if made, would be within the limit specified by the ICSI. They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors in term of provisions of the Companies Act, 2013, the Companies Secretaries Act, 1980 and Rules and Regulations made thereunder and the Listing Regulations and the Circular.

The proposed fees in connection with the secretarial audit shall be ₹ 75,000/- (Rupees Seventy-five thousand only) plus applicable taxes and other out-of-pocket expenses for FY 2026 and for subsequent year(s) of their term, such fees as may be mutually agreed between the Board of Directors and M/s. Alwyn Jay & Co. In addition to the secretarial audit, M/s. Alwyn Jay & Co., shall provide such other services in the nature of certifications and other professional work, as approved by the Board of Directors. The relevant fees will be determined by the Board, as recommended by the Audit Committee in consultation with the Secretarial Auditors.

The Audit Committee and the Board of Directors have approved & recommended the aforementioned proposal for approval of Members considering the eligibility of the firm, qualification, competency of the staff, experience and expertise in providing Secretarial audit related services.

The consent and Peer Review Certificate received from M/s. Alwyn Jay & Co., and the letter of engagement inter-alia containing the terms of engagement including remuneration shall be available for inspection by the members in electronic form up to the date of Annual General Meeting. The members seeking to inspect these documents may send an email request to [shares@unichemlabs.com](mailto:shares@unichemlabs.com).

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Basis the rationale and justification provided above, the Board recommends Ordinary resolution under Item No. 6 of the accompanying Notice for approval of Members.

**Item No. 7**

The Board of Directors at its Meeting held on 22nd May 2025, 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 2026, 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. 7 except to the extent of their shareholding, if any, in the Company.

Accordingly, resolution at Item No. 7 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 2025

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

**Registered Office:**

47, Kandivli Industrial Estate,  
Kandivli (West), Mumbai – 400 067,  
Maharashtra, India

**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	Dr. Prakash A. Mody
Date of birth	14.11.1952
Date of Appointment	26.06.1974
Brief Profile, Qualification and Expertise in Specific Functional Area	<p>Dr. Mody holds a post-graduate degree from the University of Mumbai and a Ph.D. in Organic Chemistry. He is also an alumnus of Harvard Business School and a former president of the Indian Pharmaceutical Alliance, an industry body representing research-based national pharmaceutical companies.</p> <p>With over four decades of experience in the pharmaceutical industry, Dr. Mody was at the helm of the Company's operations before selling his part stake to Ipca Laboratories Limited. Under his leadership, the Company had achieved significant growth and expanded its presence to more than 80 countries, including the U.S., Europe, Ireland, South Africa, and Brazil. He is one of the promoters of the Company.</p>
Remuneration last drawn	Nil, except sitting fees is paid for Board meetings attended by him.
Number of Meetings of the Board attended during the FY 2025	Six
No. of shares held in the Company	89,97,952
Directorships in other Companies (excluding Foreign Companies)	One
Membership/Chairmanship of Committees	None
Resigned/retired as a Director in any listed entities in the past three financial years	Retired as Independent Director of Kewal Kiran Clothing Limited
Relationship between Directors inter-se	None

# Directors' Report

Dear Members,

The Board of Directors are pleased to present the audited financial statements of the Company for the financial year ended 31st March 2025.

## Standalone and Consolidated Financial Results

(₹ in crores)

Particulars	Standalone		Consolidated	
	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024
<b>Revenue from operations</b>	<b>1,735.70</b>	<b>1,442.16</b>	<b>2,110.97</b>	<b>1,785.11</b>
Other Income	40.83	30.39	35.32	31.59
<b>Total Income</b>	<b>1,776.53</b>	<b>1,472.55</b>	<b>2,146.29</b>	<b>1,816.70</b>
Profit/(loss) before tax after exceptional items	182.68	(92.18)	154.59	(84.96)
Current tax	-	-	18.39	7.94
Deferred tax	19.72	-	(1.20)	0.86
Short / (Excess) provision of tax for earlier years	-	-	(0.12)	-
<b>Profit (Loss) for the year</b>	<b>162.96</b>	<b>(92.18)</b>	<b>137.52</b>	<b>(93.76)</b>
Other Comprehensive Income	0.10	(0.53)	(6.97)	(5.65)
<b>Total Comprehensive Income</b>	<b>163.06</b>	<b>(92.71)</b>	<b>130.55</b>	<b>(99.41)</b>

In compliance with the provisions of Section 129(3) of the Companies Act, 2013 ("the Act"), the audited consolidated financial statements of the Company forms an integral part of this Annual Report.

The fiscal year 2024-25 has been noteworthy for Unichem, being the first full year after becoming part of Ipca group, had shown record achievements in revenue and margins. Building upon a robust performance from the preceding year, we have continued our growth trajectory. Our revenue had crossed over ₹ 2,000 crores and margin had grown to 58.2%. The results are the testimony towards successful business transformation which happened in the previous financial year.

The consolidated revenue from operations for the financial year under review stood at ₹ 2,110.97 crores compared to ₹ 1,785.11 crores in the previous financial year, reflecting a growth of 18.3%. Profit before tax increased to ₹ 154.59 crores, as against loss of ₹ 84.96 crores in the preceding year while Profit after tax is ₹ 137.52 crores an increase of ₹ 231.28 crores from a loss of ₹ 93.76 crores in the previous financial year.

The Company continues to maintain a strong focus on international markets, with exports contributing 98.02% to the total sales revenue.

The standalone revenue from operations for the financial year under review stood at ₹ 1,735.70 crores, compared to ₹ 1,442.16 crores in the previous financial year, reflecting a growth of 20.4%. Profit after tax increased to ₹ 162.96 crores, an increase of ₹ 255.14 crores from a loss of ₹ 92.18 crores in the preceding year. The performance achieved amid various economic and geopolitical dynamics, highlights our resilience and customer-centric approach.

During the year, the Company had completed the capacity expansion of Phase I of API plant at Pithampur of approximately 210 KL with an investment of nearly ₹ 200 crores which will be used mainly for captive purposes.

There have been no material changes or commitments affecting the financial position of the Company that have occurred between the end of the financial year and the date of this Report. Furthermore, there has been no change in the nature of the Company's business during the year under review.

### Change in Registered Office and sale of premises

Unichem Laboratories Limited became a subsidiary of Ipca Laboratories Limited in the previous fiscal year. Ipca Laboratories Limited is having a vast set-up at Kandivali (West), Mumbai and to derive synergy and effective co-ordination between parent and subsidiary, the Company relocated its Registered Office effective 1st September 2024, from Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (West), Mumbai – 400 102 to 47, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067.

Consequently, the premises situated at Jogeshwari, Mumbai was lying vacant with no ongoing business activity and the Board decided to divest the said property. A memorandum of understanding had been signed with a developer to sell this property

comprising of approximately 3.4 acres of land and building attach thereto for a consideration of ₹ 279 crores subject to requisite regulatory approvals and permission. The book value of the said property was approximately ₹ 2.21 crores while the ready reckoner value was ₹ 157.87 crores.

## Review of Subsidiaries and Associates

The Company has six subsidiaries and one associate company as on 31st March 2025. In compliance with applicable regulatory requirements, the financial data of these entities is provided in the prescribed Form AOC-1, which is annexed to the consolidated financial statements.

For further details pertaining to impairment of investments in the associate company and wholly owned subsidiaries, please refer to Note Nos. 6, 37 and 41 of the standalone financial statements.

### Key Developments during the Financial Year:

- During the year under review, the Company acquired nine Abbreviated New Drug Applications (ANDAs) from Bayshore Pharmaceuticals LLC, USA ("Bayshore USA"), a wholly owned step-down subsidiary of Ipca Laboratories Limited (the holding company), for a total consideration of USD 2,650,000.
- Additionally, the Company's wholly owned subsidiary, Unichem Pharmaceuticals (USA) Inc. ("Unichem USA"), acquired the generic formulations marketing and distribution business of Bayshore USA as a going concern through a slump sale. This business was transferred on a debt-free basis for a consideration of USD 10,000,000.
- During the year it was decided that 100% share capital of Unichem Laboratories Ltd, Ireland, a wholly owned subsidiary company, which was continuously incurring losses and the Company had written off its entire investment in its books of accounts be transferred to Ipca Laboratories Limited, holding company of Unichem at a valuation of ₹ 4 (four) crores based on the independent valuation report.
- Similarly, the Company decided to close the manufacturing facility of its wholly owned subsidiary, Niche Generics Limited ("Niche UK"), located at Baldoyle, Dublin, Ireland due to persistent operational losses and the high cost of operations. The facility, which was being operated on leased premises, was nearing the end of its lease term in FY 2027 and had become commercially unviable. The products which were being manufactured at this facility will continue to be manufactured at plant facilities of your company located in India.

### Availability of Subsidiary Financial Statements:

The audited financial statements of all subsidiaries are available on the Company's website at [www.unichemlabs.com](http://www.unichemlabs.com) and can also be inspected at any time at the Registered Office of the Company during business hours in accordance with the provisions of Section 136 of the Act. Shareholders interested in obtaining a copy of the accounts of the subsidiaries may write to the Company Secretary at the Company's registered office or email to [shares@unichemlabs.com](mailto:shares@unichemlabs.com).

### Material Subsidiary:

Unichem Pharmaceuticals (USA) Inc. qualifies as a material subsidiary in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's Policy on Material Subsidiaries. The said policy is available on the Company's website at: <https://www.unichemlabs.com/pdf/policies/policy-on-material-subsidiaries.pdf>

## Dividend

In order to conserve resources, the Board of Directors has not recommended any dividend on the Equity Shares for the financial year. In accordance with the Listing Regulations, the Company has adopted a Dividend Distribution Policy, which is available on its official website at <https://www.unichemlabs.com/pdf/policies/dividend-distribution-policy.pdf>

## Share Capital

The authorised and paid-up share capital of the Company remained unchanged during the year under review.

## Employees Stock Options Scheme 2018

The Unichem Employee Stock Option Scheme 2018 ("Scheme") continues to be in effect and is administered by the Nomination and Remuneration Committee ("NRC"). No modifications were made to the Scheme during the financial year under review.

In compliance with Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the requisite disclosures relating to the Scheme are available 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 Scheme has been implemented in compliance with the applicable regulations and the resolution approved by the shareholders at the general meeting. The certificate will be available for inspection by the members at the forthcoming Annual General Meeting ("AGM").

### Credit Rating

The Company's banking facilities are rated by ICRA. During the year, ICRA upgraded the Company's long-term credit rating to A+ (pronounced ICRA A Plus) from A (pronounced ICRA A), reflecting a stable outlook. The rating upgrade demonstrates your Company's healthy improvement in its revenues as well as significant improvement in margins due to its improved cost structure and increased capacity utilisation.

### Management Discussion and Analysis

In compliance with Regulation 34(2), read with Part B of Schedule V of the Listing Regulations, a detailed assessment of the sector in which your company operates and overall financial and operational status is presented in the Management Discussion and Analysis, which forms an integral part of this Report and is annexed herewith as **Annexure A**.

### Corporate Governance

The Board of Directors reaffirms its unwavering commitment to upholding exemplary corporate governance and ethical standards. The Company remains dedicated to maintaining the highest levels of corporate governance.

The Corporate Governance Report for the year forms an integral part of this report as **Annexure B**, accompanied by a certificate from M/s. N. A. Shah Associates LLP, Statutory Auditors, confirming compliance with the corporate governance norms prescribed under the Listing Regulations.

### Directors and Key Managerial Personnel

The Company's Board comprises distinguished professionals from diverse backgrounds, each bringing a wealth of expertise, domain knowledge, and experience. This optimal mix of Executive and Independent Directors ensures a balanced approach, combining business acumen with independent judgment in the Board's decision-making processes.

During the year under review, none of the Non-Executive Directors had any pecuniary relationships or engaged in transactions with the Company, except for the receipt of sitting fees.

#### a. Retirement by Rotation

In accordance with Section 152 of the Act, and the Company's Articles of Association, Dr. Prakash A. Mody is scheduled to retire by rotation at the forthcoming AGM and, being eligible, has offered himself for re-appointment. The Board of Directors, recognizing his valuable contributions, recommends his re-appointment. A resolution seeking shareholders' approval for his re-appointment, along with pertinent details as required, is included in the Notice convening the AGM.

#### b. Independent Directors ("IDs")

All IDs have confirmed their ongoing compliance with the independence criteria specified in Section 149(6) of the Act and Regulation 16(b) of Listing Regulations. Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have passed the proficiency test, if applicable to them. There have been no changes in circumstances affecting their status as IDs of the Company. Additionally, they have affirmed adherence to the Code of Conduct for IDs.

Based on the disclosures provided, none of the IDs are disqualified or debarred from serving as Directors under Section 164 of the Act or SEBI order, or any other relevant authority. The Board has reviewed and assessed the veracity of the aforesaid declarations, as required under Regulation 25(9) of the Listing Regulations. The Board confirms that the IDs maintain independence from management.

The Board recognizes that the IDs possess the necessary qualifications, experience, and expertise across various domains, including manufacturing, operations, finance, human resources, strategy, sales and marketing, auditing, and risk management. Moreover, they maintain exemplary standards of integrity.

A detailed matrix of the skills, expertise, and competencies of all Directors, including IDs as well as details of the familiarization programme for Directors are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

#### c. Key Managerial Personnel ("KMP")

During the year, Mr. Sandip Ghume, Deputy Chief Financial Officer & Key Managerial Personnel, resigned effective 30th June 2024 and Mr. Sanjay Jain had been appointed as Chief Financial Officer effective from 8th August 2024.

As of the date of this report, the Key Managerial Personnel of the Company are:

- Mr. Pabitrakumar Bhattacharyya, Managing Director;
- Mr. Pradeep Bhandari, Head – Legal & Company Secretary; and
- Mr. Sanjay Jain, Chief Financial Officer.

## Board Performance and Evaluation

In compliance with the Act and the Listing Regulations, the Board has conducted its annual performance evaluation, encompassing the Board itself, its Committees and individual Directors including the Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees, Chairman and individual Directors. Further details are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

## Salient features of the Nomination and Remuneration Policy

Based on the recommendation of the NRC, the Board has established a policy governing the selection, appointment, and remuneration of Directors, Key Managerial Personnel (KMP), and Senior Management. This policy was amended during the year and is accessible on the Company's website at: <https://www.unichemlabs.com/pdf/policies/nomination-and-remuneration-policy.pdf>

The Company recognizes its employees as invaluable assets and is committed to attracting, retaining, and motivating talented personnel. Compensation packages including salaries, benefits, perquisites, and allowances are structured to reflect individual performance, with annual increments tied to performance evaluations. This approach aligns with the Company's Remuneration Policy, designed to ensure fair and competitive compensation practices.

### i. Whole-time/ Managing Director

The remuneration structure for Whole-time Director comprises both fixed and variable components. The fixed component includes salary, perquisites, and allowances, while the variable component consists of commission, as specified in term of appointment. Salaries are determined based on the recommendations of the NRC and approved by the Board of Directors, with subsequent endorsement by the Shareholders, within the limits prescribed by the Act and its accompanying Rules.

### ii. Non-Executive Directors

Non-Executive Directors receive remuneration in the form of sitting fees for their participation in Board and Committee meetings, in accordance with the provisions of the Act, and the accompanying rules. Apart from these sitting fees, no additional remuneration is provided to Non-Executive Directors.

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

The remuneration package for KMP, Senior Management and other employees primarily includes basic salary, perquisites, allowances, and performance incentives, such as Employee Stock Options where applicable. Perquisites and retirement benefits are provided in accordance with the Company's established policies. In formulating these remuneration packages, the Company takes into account the prevailing employment landscape and remuneration practices among industry peers to ensure competitiveness and alignment with market standards.

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

During the year under review, there were no significant or material orders passed by any regulatory authorities, courts, or tribunals that could impact the Company's going concern status or its future operations.

## Corporate Social Responsibility ("CSR")

The Corporate Governance Report outlines the terms of reference and composition of the CSR Committee. The Company has also formulated a CSR Policy. Furthermore, in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Annual Report on CSR activities is annexed as **Annexure C** and forms an integral part of this Report. The CSR Policy is available on the website at <https://unichemlabs.com/pdf/policies/corporate-social-responsibility-CSR-policy.pdf>

## Statutory Auditors

M/s. N. A. Shah Associates LLP, Chartered Accountants (Firm Registration No. 116560W/W100149) ("M/s. N. A. Shah"), continue to serve as the Statutory Auditors of the Company.

At the 59th AGM held on August 9, 2022, the Members re-appointed M/s. N. A. Shah for a second term of five consecutive years, commencing from the conclusion of the 59th AGM and continuing until the conclusion of the 64th AGM, scheduled to be held in the year 2027.

The Notes to the Financial Statements referred to in the Auditor's Report are self-explanatory and do not warrant any further comments.

The Auditor's Report for the financial year under review does not contain any qualifications, reservations, adverse remarks, or disclaimers. M/s. N. A. Shah have confirmed that they remain eligible to continue as the Statutory Auditors of the Company. They have also affirmed that their firm has undergone the peer review process conducted by the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the ICAI's Peer Review Board.

Further, during the year under review, the Auditors have not reported any matter under Section 143(12) of the Act. Accordingly, no disclosure is required under Section 134(3)(ca) of the Act.

### **Cost Auditors**

In compliance with the provisions of Section 148(1) of the Act, the Company maintains the requisite cost records, which are subject to audit by Cost Auditors. Pursuant to 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 financial year ending 31st March 2025, in Form CRA-4 (XBRL format), will be filed with the Ministry of Corporate Affairs within the prescribed timeline.

Based on the recommendation of the Audit Committee, the Board of Directors has appointed M/s. Kishore Bhatia & Associates, Practicing Cost Accountants, as the Cost Auditors of the Company for the FY 2026. The said firm has confirmed that their appointment is in accordance with the applicable provisions of the Act and the rules framed thereunder. They have also provided confirmation of their eligibility to act as the Cost Auditors of the Company for the year ending 31st March 2026.

In accordance with Section 148 of the Act and the Companies (Audit and Auditors) Rules, 2014, the remuneration proposed to be paid to the Cost Auditors for the FY 2026 is subject to ratification by the members of the Company. Accordingly, the Board recommends the remuneration for approval of the members at the forthcoming AGM. The relevant resolution seeking ratification forms part of the Notice of the AGM.

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the Listing Regulations, the Board of Directors has appointed M/s. Alwyn Jay & Co., Practicing Company Secretaries, to carry out the Secretarial Audit of the Company for the financial year ending 31st March 2025.

The Secretarial Audit Report, issued by M/s. Alwyn Jay & Co., is annexed to this Report as **Annexure D**. The Report is free from any qualifications, reservations, or adverse remarks and is self-explanatory, requiring no further clarification.

Additionally, M/s. Alwyn Jay & Co. have issued the Secretarial Compliance Report for the financial year ending 31st March 2025. This Report confirms the Company's compliance with all applicable laws, rules, and regulations, and further affirms that no enforcement actions have been initiated against the Company, its material subsidiaries, or its promoters/directors by SEBI or the Stock Exchanges during the year. The Company has duly uploaded the said Report on the websites of BSE and NSE within the prescribed timelines.

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, the Board of Directors has, based on the recommendation of the Audit Committee, proposed the appointment of M/s. Alwyn Jay & Co., Practicing Company Secretaries, as the Secretarial Auditors of the Company for a term of five consecutive financial years commencing from 1st April 2025 to 31st March 2030. The said appointment is subject to the approval of the shareholders at the forthcoming AGM. M/s. Alwyn Jay & Co. have provided their consent for the proposed appointment and confirmed their eligibility in accordance with the applicable provisions, along with a valid peer review certificate.

Further, during the year under review, the Statutory Auditors, Internal Auditors, Secretarial Auditors, and Cost Auditors have not reported any instance of fraud committed by the Company's officers or employees under Section 143(12) of the Act. Accordingly, there are no disclosures required in this regard in the Board's Report.

### **Compliance with Secretarial Standards**

During the FY 2025, the Company has complied with all applicable Secretarial Standards, as amended, issued by the Institute of Company Secretaries of India.

### **Meetings of Board**

During the year, seven meetings of the Board of Directors were convened, the details of which are provided in the Corporate Governance Report.

## Committees of the Board

The Board has constituted five committees, namely the Audit, Nomination and Remuneration, Corporate Social Responsibility, Stakeholders' Relationship and Risk Management. All recommendations made by these committees have been accepted by the Board. Detailed information regarding the composition of each committee, meeting frequency, and other relevant particulars is provided in the Corporate Governance Report.

## Related Party Transactions ("RPTs")

During the year under review, the Company has ensured compliance with the applicable regulatory requirements pertaining to RPTs. Omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature. Prior approvals from the Audit Committee and/or the Board of Directors were obtained, wherever necessary, before entering into any such transactions. All related party transactions were conducted at arm's length and, where not in the ordinary course of business, necessary approval from the Board was duly obtained. Details of RPTs undertaken during each quarter were placed before the Audit Committee in the subsequent quarter for its review.

There were no contracts or arrangements 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. Further, no such transactions were identified that could result in a potential conflict of interest with the interests of the Company at large, in accordance with the Company's Policy on the materiality of RPTs.

In accordance with applicable regulations and as approved by the Audit Committee / Board of Directors, members' approval is being sought for the following material related party transactions proposed for the FY 2026:

- Unichem Laboratories Limited with Ipca Laboratories Limited;
- Unichem Laboratories Limited with Unichem Pharmaceuticals USA Inc.;
- Ipca Laboratories Limited with Unichem Pharmaceuticals USA Inc.

The Company's Policy on Related Party Transactions, as approved by the Board, is available on the website at: <https://www.unichemlabs.com/pdf/policies/related-party-transactions-policy.pdf>.

Further, except for shareholding in the Company, receipt of remuneration, and sitting fees, there were no pecuniary transactions between any Director or KMP and the Company that could potentially result in a conflict of interest.

Related Party disclosures as per Ind AS 24 have been provided in Notes to accounts annexed to the financial statements.

## Internal control system and Risk Management

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. Your Company has appointed an external firm, M/s. Ram Agarwal & Associates, Chartered Accountants as Internal Auditors who are responsible for independently evaluating the adequacy and effectiveness of all internal control designs and implementation, systems and processes. The internal control systems and risk management framework have been discussed in detail in the Management Discussion and Analysis section, which forms an integral part of this Report.

## Whistle Blower Policy

The Company maintains a zero-tolerance stance towards any form of unethical conduct, reflecting its steadfast commitment to integrity and ethical business practices. To reinforce this commitment, the Company has established a Whistle Blower Policy/Vigil Mechanism that enables employees, directors, and stakeholders to report genuine concerns relating to unethical behaviour, fraud, or violations of the Company's Code of Business Conduct and Ethics.

This mechanism provides adequate safeguards to protect whistleblowers from any form of retaliation or victimization, no individual was denied access to the Audit Committee during the year under review. The Company has not received any complaint during the year. The Whistle Blower Policy is accessible on the Company's intranet and website, and concerns can be reported via the designated email address: [whistleblower@unichemlabs.com](mailto:whistleblower@unichemlabs.com).

## Particulars of Employees

Disclosures relating to remuneration and other requisite details, as stipulated under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are set out in **Annexure E** to this Report.

In accordance with the provisions of Section 136 of the Act, the statement containing particulars of employees as required under Section 197 read with Rules 5(2) and 5(3) of the said Rules is not being circulated to the Members along with this Annual Report. However, any Member interested in obtaining a copy of this information may do so by sending a written request to the Company Secretary, quoting their Folio No./DPID & Client ID at [shares@unichemlabs.com](mailto:shares@unichemlabs.com).

### **Sustainability at Unichem**

Sustainability has been now a focus in all our operations, we are dedicated to resource conservation across our business. During the year, we achieved an impressive 54% reduction in our Scope 1 GHG emissions compared to our 2022 baseline and it is expected to reduce further in coming years. Power purchase agreement is in process for Roha and Kolhapur which will reduce our Scope 2 GHG emission. In the current year, Company aims to reduce Scope 2 GHG emission by 10%.

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

The disclosures required under Section 134(3)(m) of the Act, along with the applicable rules, are provided in **Annexure F** to this Report.

### **Business Responsibility and Sustainability Report ("BRSR")**

The Company remains committed to creating a positive impact across economic, social, and environmental dimensions. In line with Regulation 34(2)(f) of the Listing Regulations, the BRSR for the FY 2025 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 committed to providing a safe, inclusive, and respectful workplace where employees can perform their duties free from prejudice, gender bias, and any form of harassment. Management consistently strives to maintain a work environment that upholds dignity and equality, free from discrimination and sexual harassment.

In compliance with the provisions of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has implemented a comprehensive Policy on Prevention of Sexual Harassment at the Workplace. An Internal Complaints Committee (ICC) has been duly constituted to address complaints related to sexual harassment. The policy outlines the procedures for complaint redressal and the inquiry process to be followed by the ICC. It is applicable to all women employees, including those who are permanent, temporary, contractual, or trainees.

The policy also incorporates safeguards to prevent any form of retaliation or victimization against individuals who report incidents in good faith. During the year under review, the Company did not receive any complaints pertaining to sexual harassment.

### **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, the Annual Return of the Company is available on the Company's website at <https://www.unichemlabs.com/annual-report.php>.

### **Particulars of Loans, Guarantees and Investments**

The particulars of loans, guarantees, and investments made under Section 186 of the Act, are disclosed in the note nos. 6, 7, 14, 36 and 52 to the standalone financial statements.

### **Other disclosures**

There were no transactions during the year under review that necessitate disclosure or reporting in respect of the following matters.

- Acceptance of deposits as covered under Chapter V of the Act;
- Transfer of any amount to reserves;
- Any material changes or commitments affecting the financial position of the Company occurring between the end of the financial year and the date of this Report.

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

The Company remains dedicated to fostering an inclusive and empowering workplace that acknowledges employee contributions while promoting opportunities for continuous growth and development.

In addition, the Company places the utmost importance on protecting human health, ensuring workplace safety, and preserving the environment. It is committed to maintaining the highest standards of health and safety across all its plants and facilities,

forming the foundation of its Environmental, Health, and Safety (EHS) management systems and governance framework.

## Directors' Responsibility Statement

To the best of their knowledge and belief, and based on the information and explanations received, your Directors hereby make the following statements pursuant to Section 134(3)(c) of the Act:

- a. that in preparation of annual accounts for the year ended 31st March 2025, 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 2025 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

Your Directors appreciate and value the co-operation and support of the Company's parent company, customers, members, suppliers, bankers, associates, Central & State Governments and employees at all levels and look forward to continuance of the supportive relations and assistance in the future.

For and on behalf of the Board of Directors,

Mumbai  
22nd May 2025

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

# Annexure A to Directors' Report

## MANAGEMENT DISCUSSION AND ANALYSIS

### Economy

The new fiscal year has begun on an anxious note for the global economy. The recent trade tariff-related measures have exacerbated uncertainties clouding the economic outlook across regions, posing new headwinds for global growth and inflation. Some of the concerns on trade frictions are coming true, unsettling the global community.

There are many possible implications for growth. First and foremost, uncertainty itself dampens growth by affecting investment and spending decisions of businesses and households. Second, the dent on global growth due to trade frictions will impede overall growth. Third, higher tariffs shall have a negative impact on net exports. There are, however, several known unknowns - the impact of relative tariffs, the elasticities of export and import demand; and the policy measures adopted by the Government including the proposed Foreign Trade Agreement with the USA, to name a few. These make the quantification of the impact difficult.

A sudden escalation in global trade tensions marked a defining moment with conflict seen across our western border at the beginning of the next fiscal year and sweeping tariffs being imposed on several countries only to pause had inspired IMF and WTO projections to reduce global growth and trade in 2025-26. Despite global issues like persistent geopolitical tensions, monetary shifts and regional economic divergences, India remains resilient and retains its title as the fastest-growing major economy.

Yet, uncertainties persist, including global volatility, precarious trade policies, intensifying counter measures by other countries, and rising input cost pressures. Indian markets have potentially slowed down due to such global uncertainties, even as it remains the fastest-growing large economy. However, as global supply chain seeks to diversify, India stands to gain as a stable destination for manufacturing and business.

### Global Pharma market

India, known as 'pharmacy of the world', makes cheaper generic versions of complex innovative drugs in its massive factory clusters and exports them to over 200 countries, of which the U.S. is its biggest market. The tariff move is expected to be inflationary to the U.S. as they don't have the requisite manufacturing infrastructure in-house to replace the scale of supply that India does.

India's pharmaceutical industry is poised for significant growth, with its share in the global market expected to rise to 5% by 2030, according to a report by Bain & Company. The Indian pharma market, currently valued at around \$ 55 billion, is projected to expand 2.2 to 2.4 times over the next six years, reaching \$ 120 billion to \$ 130 billion.

The global pharmaceutical industry is currently worth about \$ 1.6 trillion, with India contributing around 3% to 3.5%. The anticipated growth will solidify India's position as a key player in the global pharma landscape. A unique aspect of India's pharma industry is that its export market is as large as its domestic market. Indian pharma exports play a crucial role in the country's economy, making up 6% of total merchandise exports by value.

In 2023, pharmaceutical exports reached \$27 billion, up from \$19 billion in 2018, growing at an annual rate of 8%. More than 70% of these exports are formulations, while bulk drugs and drug intermediates account for around 20%. Other export categories include vaccines, biosimilars, and innovative products.

Unichem now part of the Ipca Group has a wide-ranging product portfolio, and in-house state of the art R&D facility, with decades of experience and understanding of the global markets, should enable it to capture this expected growth to enhance its market leadership.

### Generics & Generic Formulation

Indian pharmaceuticals industry is known for its low-cost generic medicines globally. India continues to play a crucial role in the generic drug supply chain, supplying key starting materials (KSMs), Active Pharmaceutical Ingredients (APIs), and finished formulations. Indian firms account for around 40-45% of the total generic drug volume in the US market. The market for generic business will grow as the government across the globe is expected to invest more in the health sector to reduce their budgets by showing more inclination towards generic formulations.

The Indian pharmaceutical industry has gained global recognition as a leading hub for cost-effective generic medicine manufacturing. India ranks 3rd globally in pharmaceutical production by volume and 14th by value, contributing approximately 20% of global generic medicine exports. Notably, India hosts the highest number of USFDA-compliant pharmaceutical manufacturing facilities outside the United States.

The Company is mainly in international business and the products manufactured are exported to many developed and developing countries. Despite the uncertainties surrounding US trade policies, Indian pharma manufacturers are expected to strengthen their global presence through continued innovation, technological advancements, and production capacity expansion. The U.S. generics market remained dynamic, shaped by persistent pricing pressures and product shortages across multiple therapeutic areas continues to remain important market for your Company. In Brazil, a market witnessing rapid generics uptake and regulatory streamlining, Unichem is targeting deeper market penetration via strategic alliances for its product offerings.

With a relentless focus on regulatory compliance, cost competitiveness, and portfolio expansion, Unichem is well-positioned to drive sustainable growth in these high-potential markets in the years ahead.

#### **Active Pharmaceutical Ingredients (API) market**

The API market in India is estimated to grow to \$ 30 billion by 2028, constituting about 35% of the pharma market.

One of the biggest challenges which thwarts the rising Indian pharmaceutical industry ambitions is its high dependence on Chinese imports for API and KSMs. India imported APIs and bulk drugs worth ₹ 377 billion in FY 2024 and in case of API, share of China accounted for 70%.

As entities attempt to mitigate the risk of dependency on a single territory, countries such as India are being preferred under the China+1 policy. The industry is suggesting to, incentivising R&D through success-based fee support that can promote research into cost-efficient processes, green manufacturing and innovative drug development which will not only strengthen India's manufacturing base but also reduce dependency on imports.

Unichem offers a broad portfolio of APIs across various therapeutic areas. With the strong technical team to handle the regulatory queries and adhering the dynamic global API regulations, Unichem is well placed to benefit from this rising trend of outsourcing of APIs with its focus on quality, reliability, and excellence. Ipca Laboratories Limited, holding company of Unichem is one of the leading API manufacturers, with its proven cost competitiveness will further enhance its cost effectiveness and product portfolio. Your Company will continue to build on its position in the global API market and strengthen its expertise in manufacture of intermediates and APIs backed by investment in its R&D facilities.

#### **Manufacturing Operations**

Unichem has established a robust network of state-of-the-art manufacturing facilities across India. The Company continually upgrades its systems and processes to comply with the stringent requirements of all major global regulatory authorities. Through vertically integrated operations across key markets and products, Unichem ensures the delivery of high-quality, cost-effective, and timely finished formulations to international markets.

Company has continued to invest in further optimizing its footprint and in creating competitive and resilient value chains. These achievements reflect Unichem's relentless focus on compliance, cost optimization, capacity expansion, and process improvements. As a result, the Company's formulation output grew significantly—from 9.98 billion tablets/capsules in FY 2024 to 15.17 billion in FY 2025, marking a 52% increase.

To drive operational excellence, several strategic initiatives were implemented over the past year:

- Automation enhancements in granulation, blending, and compression, coating, and packing processes.
- Deployment of a SCADA system to align batch alarms and audit trails with USFDA compliance requirements.
- Transition to eco-friendly and cost-efficient fuels for steam generation, replacing conventional energy sources.
- Adoption of innovative and sustainable practices to reduce hazardous waste generation.
- Strengthening of planning processes and agile operations to enhance risk management and ensure consistent product quality.

Unichem's manufacturing footprint includes three finished formulation plants and three API facilities. During the reporting year, two formulation facilities underwent USFDA inspections and received Establishment Inspection Reports (EIRs) with Voluntary Action Indicated (VAI) status, reaffirming compliance with regulatory expectations. Additionally, several facilities completed EU-GMP audits and successfully received EU-GMP certifications.

To strengthen its competitiveness and secure the full value chain, Company is investing in increased access to raw material as well as in accelerating its manufacturing and R&D processes. During the year expansion of Pithampur plant was carried out which will enhance its installed capacity by 81%.

Your Company remains focused on improving quality across all aspects of its operations, with initiatives for continuous improvement, reducing manual interventions through automated systems to constantly upgrade the culture of quality. Company's drive for quality, reliability and excellence will ensure that it continues to not just meet but surpass the stringent cGMP (Current Good Manufacturing Practice) standards required for doing business in the regulated markets.

### Opportunities & Threats

The United States continues to be the largest and most competitive generics market globally, accounting for approximately 40% of global generics sales. The market is characterized by intense pricing pressure, high regulatory scrutiny, and frequent product shortages, especially in complex and niche therapeutic segments. However, it also presents lucrative opportunities for companies with strong operational execution, regulatory agility, and a broad pipeline of ANDAs. Unichem has maintained a disciplined focus on expanding its portfolio in the U.S. market, with an emphasis on therapeutic areas like CNS, Cardiovascular, Anti-infectives, and Gastrointestinal.

Brazil remains one of Latin America's largest pharmaceutical markets and has seen sustained growth in generics adoption due to healthcare reforms, increased insurance coverage, and government support for cost-effective treatments. According to recent market insights, the generics market in Brazil is growing at a CAGR of over 9%, outpacing the overall pharma sector. Regulatory improvements and a growing preference for local partnerships have made it an attractive destination for Indian generic manufacturers. By offering a consistent supply of high-quality products at competitive prices, Unichem has strengthened its brand equity in the Brazilian market. The company continues to build capabilities to navigate evolving ANVISA regulations and expand its commercial footprint.

The Chinese API industry, which accounts for around 40% of the global requirement is supported by higher economies of scale, subsidies, and fiscal incentives offered by the Chinese Government, along with lower power, fuel, and borrowing costs. India is now trying to promote domestic production of raw material with a Production-Linked Incentive (PLI) scheme. However, the overall lowering of dependence for APIs will ultimately depend on the ramp-up in production and price competitiveness of the Indian manufacturers.

Unichem remains committed to diversifying its product mix to include complex generics and value-added formulations by enhancing its backward integration capabilities to improve cost competitiveness and supply assurance. The Company is constantly investing in regulatory science and dossier development to accelerate filings and approvals in regulated markets to capture the potential growth.

As the global demand for generics rises, particularly in cost-conscious healthcare systems, Unichem is well-positioned to capture incremental market share in both developed and emerging economies. Company's integrated capabilities across R&D, manufacturing, and quality assurance provide a strong foundation for sustainable growth in the United States, Brazil, and beyond.

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

Unichem is a research-oriented pharmaceutical company dedicated to innovation and quality. Each manufacturing site is closely integrated with its robust R&D infrastructure. This synergy ensures that new products are efficiently scaled up from development to commercial production, maintaining consistency and quality across all batches. Over the years, Unichem has made substantial investments in R&D to establish cutting-edge facilities, which is evident from Unichem's vast portfolio of quality medication across Therapeutic categories in the International Regulated Markets. Bolstered by a team of over 300 highly skilled and trained scientists with exemplary credentials, the company's R&D Centre is equipped with state-of-the-art pharmaceutical research technology.

R&D is a crucial aspect of the pharmaceutical industry with an aim to address unmet medical needs and improve patient outcomes. Unichem has a full-fledged R&D division located at Goa, continuously engaged in research on new products catering to the Pharma Market requirements with a patient centric focus on innovation and quality. The company's core strength lies in its ability to excel in developing generics and technologically complex products through innovation in formulations and analytical development.

The Formulations R&D has State-of-the-Art facilities to undertake formulation development of tablets, capsules, liquid orals, creams ointments and, a separate facility for injectable and pre-formulation laboratories to carry out drug-excipient compatibility studies and physical characterisation of API. Plant simulation experiments designed by Process Engineers help to anticipate and address scale up issues that the laboratory developed processes may face in the plant during technology transfer exercise. The sustained efforts of R&D over the years resulted into 84 ANDA (71 approved) filings and 79 USDMFs, 30 CEPs, 3 JDMFs, 5 China DMFs among others across various markets and therapeutic categories. During the year under review, Unichem had filed 2 ANDAs, 1 USDMF, 3 CEPs, 2 CADIFA 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 4 ANDA approvals, 4 launches in the largest generic market of USA and 2 launches in South Africa during the year. The Company has submitted 2 ANDAs and 11 dossiers in emerging markets and it expects an increase in the number of filings and approvals in time to come.

## Financial Performance

### Consolidated Operations

Your company achieved remarkable growth journey in FY 2025 with record revenue and profitability in spite a challenging global macroeconomic environment. The revenue from operations was **₹ 2,110.97 crores** during the FY 2025 as against ₹ 1,785.11 crores in the previous year, registering a growth of 18.3%. The Profit after tax was at **₹ 137.52 crores** in FY 2025 as compared to loss of ₹ 93.76 crores in the previous year. The gross profit margin at consolidated level for the FY 2025 was higher by 0.6% over the previous year mainly due to yield improvements and product mix. Consequently, the earnings per share for FY 2025 stood at **₹ 19.53** per share as compared to ₹ (13.32) per share in FY 2024.

During the year, Company continued to strengthen its strategic presence in key international markets, particularly in the United States. The growth in revenue is led by US, Contract Manufacturing Operations ("CMO"), Acasia and API business. Exports constitute around 98.02% of sales revenue in which Unichem USA continues to dominate with a contribution of 64% of the total sales revenue.

Unichem recorded a robust **22.2%** year-on-year growth in its U.S. generics business. The strong performance was driven by timely commercialization of newly approved ANDAs, operational ramp-up at the manufacturing facilities, streamlining its logistics and customer service and superior supply reliability.

### Standalone Operations

Unichem successfully navigated the challenging market conditions that prevailed throughout the FY 2025 by registering a growth of **20.4%** in Revenue from Operations at **₹ 1,735.70 crores** as against ₹ 1,442.16 crores in the previous year. As a results, operating cash flow from operations has increased from negative ₹ 41.57 crores to positive **₹ 72.29 crores** over previous financial year, supported by margin resilience and working capital reduction.

Your Company's API units are used mainly for captive purposes in its formulation plants providing significant benefits over quality, costs, supply chains and reduced reliance on external suppliers. We continue to focus on cost optimization, vendor consolidation and regulatory spending, resulting into robust profitability and cash flows without compromising on the innovation and infrastructure for long-term value creation.

Capital expenditure incurred during the FY 2025 was ₹ 126.31 crores.

US continues to remain prominent geographical area for your Company business and has been a key growth driver. The year witnessed significant growth in US and CMO business as compared to the previous financial year. The various cost reduction initiative steps undertaken for manufacturing including energy conservation, solvent recovery improvement and reduction in over-head cost had contributed to significant profitable growth. Your Company now being part of Ipca group is expected to derive immense benefit from its capability & capacities, distribution network and product offerings going forward, which will further contribute to Company's growth.

### Break-up of sales on Standalone basis is as under:

(₹ in crores)

Particulars	FY 2025				FY 2024		
	Domestic	Exports	Total	Growth (%)	Domestic	Exports	Total
Formulations	2.58	1,525.05	<b>1,527.63</b>	<b>22.20</b>	0.89	1,249.48	1,250.37
APIs & Intermediates	38.16	123.01	<b>161.17</b>	<b>13.30</b>	40.08	102.17	142.25
<b>Total Sales</b>	<b>40.74</b>	<b>1,648.06</b>	<b>1,688.80</b>	<b>21.30</b>	40.97	1,351.65	1,392.62
<b>Growth (%)</b>	<b>(0.60)</b>	<b>21.90</b>	<b>21.30</b>		27.20	35.40	35.10

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 details explanations is being provided under note number 55 of the standalone financial statements.

## Risk & Concern

Risk assessment in pharma plays a vital role in ensuring safety and quality. The pharmaceutical industry faces numerous business

risks, including regulatory compliance, supply chain disruptions and counterfeiting. Additionally, companies are exposed to product recall and liability wherein reputation stake is very high. Ensuring patient safety and maintaining high quality standards are also crucial, requiring careful risk assessment and management throughout the entire drug development and manufacturing process.

Indian pharma sector is fraught with many challenges including geopolitical tensions, supply chain issues, pricing pressures and increased scrutiny by global regulatory agencies, among others that needs to be overcome.

With over-dependence on supplies of basic materials from the Chinese, supplies of essential medicines posed a serious challenge and Pharma being a regulated sector, one cannot just overnight decide to shift the vendor ecosystem or develop an alternate vendor ecosystem. There are a lot of filings, approvals, regulatory barriers to cross before an alternate partner comes on board.

The key elements of your Company's risk management framework have been captured in the risk management policy, which details the process for identifying, escalating, prioritizing, mitigating and monitoring key risk events and action plans. The assessment of the risks covers areas of Operations and Systems, Financial, Sustainability, Legal and Regulatory. IT system including cyber security risks. There are appropriate assurance and monitoring mechanisms in place to monitor the effectiveness of the risk management framework including the mitigation plans identified by the management for key risks.

Your Company's risk assessment framework follows scientific data, regulatory requirements, risk evaluations to identify weaknesses, address them early and proper documentation strengthens compliance and simplifies regulatory audits. Risk mitigation through multi-site validation of critical products, provide operational flexibility and the ability to respond to market disruptions.

During the year, mitigation efforts continued further by having an adequate insurance coverage against various risks including cyber security and any hacker attacks.

### Outlook

It is expected that the geo-political tension in many regions across the globe is going to hit the growth in near term but for India, its impact is expected to be limited, with various estimates suggesting a decline of 0.2–0.3 point basis in FY 2026 GDP growth. The ongoing bilateral engagements with many countries could help cushion spillovers, however, markets remain cautious and lingering uncertainty likely to weigh on global economic momentum, investor sentiment, and policymaking.

As we step into FY2026, the global economy continues to navigate an uncertain equilibrium, trade disruptions and geopolitical realignments. Persistent macroeconomic fragilities, alongside the accelerating race for technological dominance, are reshaping global investment flows and supply chains. In this evolving landscape, India's stable macro fundamentals, initiatives to strengthen digital public infrastructure, supply-chain capabilities, and financial resilience will enhance its attractiveness. As economic, technological, and strategic considerations increasingly converge, India's ability to build trusted, scalable systems and maintain policy agility will be pivotal in shaping its role in an emerging, multipolar world.

From a nascent sector generating just \$1 billion in revenue in the early 1990s to achieving a staggering \$50 billion in just 34 years, India's pharmaceutical industry has made remarkable progress. India's pharma exports are expected to double to \$ 65 billion by 2030 and \$ 350 billion in value terms by 2047. While India is the largest supplier of generic drugs globally accounting for one in five generic drugs sold worldwide, the nation ranks 11th in terms of export value. The transition from volume-based to value-led growth is essential for Indian pharma to secure its rightful place in the global market. Innovation, including the shift towards specialty generics, biosimilars, and novel products, will be the key to India's pharmaceutical future, with the right focus on quality, regulation, talent, and entrepreneurial innovation, India can rise to be among the top five pharma exporters globally by 2047.

India's Contract Development and Manufacturing Organization (CDMO) market is also poised for exponential growth, expected to expand from \$ 7 billion to \$ 14 billion by 2028, capturing 4-5% of the global market as global pharmaceutical companies look to diversify supply chains beyond China, according to BCG report.

Amid tariff announcements and policy uncertainty in general, global goods trade may shrink by up to 1.5% in calendar year 2025 as per estimate by World Trade Organisation (WTO). The global economy is going through a period of exceptional uncertainties. The difficulty to extract signal from a noisy and uncertain environment poses challenges for businesses. Persistent trade distortions and geoeconomic fragmentation are likely to exert ongoing pressure on global trade levels. Recent attacks in the Red Sea, a critical route for 11% of global trade, and the ongoing conflict in Ukraine, pose new threats to global economic recovery. These events increase the risk of fresh adverse supply shocks, potentially leading to spikes in energy and transportation costs. The IMD in its latest World Economic Outlook had forecast that the US economy will witness a sharp slowdown on account of tariff trade measures and policy

uncertainties. It has cut the 2025 growth forecast by 0.9% to 1.8%. The resetting of the global economic system is paring no one, with looming sharp tariff increases due to which it is expected that the global economy will grow by 2.8% as against expected 3.3%.

India has established itself as a global pharmaceutical hub, with over 10,000 manufacturing facilities, 3,000 pharmaceutical companies, and 650 US-FDA-compliant plants, the highest number outside the United States. It is the world's largest supplier of generic medicines, providing one in every five generic drugs sold globally.

Indian pharmaceutical products reach nearly 200 countries, supplying around 50% of Africa's demand for generics and 40% of the United States' generic medicine needs. Due to its ability to produce high-quality, low-cost medicines, India has earned the title of the "pharmacy of the world." Despite its leadership in volume, India still lags in terms of pharmaceutical export value. With strong domestic demand, increasing global exports, and advancements in pharmaceutical innovation, India's pharma industry is on track for remarkable expansion in the coming years.

Your Company is mainly in international business with US being a major market. Unichem now being part of Ipca group, with its manufacturing excellence and regulatory approvals in place can penetrate in new markets and with a combined resource and presence will be able to strengthen its foothold in existing ones. Our experienced leadership team across all divisions will continue to navigate opportunities and challenges with agility and foresight, ensuring sustainable growth and value creation for all its stakeholders.

### **Internal Control Systems**

Internal Controls has been a key focus area of your company. Internal audit and the Information Technology functions are indispensable parts of management control systems, responsible for keeping the management updated about the adequacy and efficacy of the control systems. The Company has an adequate internal control system, including appropriate monitoring procedures, commensurate with its size and the nature of its business. These internal controls ensure compliance with documented policies, guidelines, authorization protocols, and approval procedures.

Your company has an Internal Control framework comprising elements like operational review meet, risk management, process and entity-level controls apart from regular internal audits. Unichem also has a well-functioning Whistle Blower Policy in place to report any misdoing. The Company had appointed an external Chartered Accountants firm as an Internal Auditor who had conducted audits throughout the year to assess the effectiveness of internal controls as well as Internal Financial Control effectiveness and areas for improvement. Additionally, Statutory Auditors, as part of their audit, review and evaluate these internal controls. Their observations and recommendations are discussed with the Audit Committee to ensure necessary corrective actions are taken. Suggestions to further strengthen the processes are shared with the respective process owners.

The Company remains committed to continuously strengthening its internal control framework to enhance governance and operational efficiency. Company is also proactively addressing tech obsolescence, core platform upgrades and data for driving operational efficiencies and improving customer experience. All employees go through security induction program and are encouraged to report incidents to a 24 x 7 managed mailbox. A state-of-the-art firewall technology is installed and monitored centrally to address cybersecurity and as well as 'Data restoration' within few hours. A disaster recovery mechanism is also in place for business applications and quality instrumental data.

### **Human Resources (HR) - Empowering People, Driving Growth**

Company's HR strategy remained centred on fostering a high-performance culture, investing in people, and driving meaningful transformation to enhance the employee experience. As Company pivoted towards a more agile and efficient operating model, its focus stayed firmly on engaging, developing, and empowering its people.

#### *Navigating Transformation with People at the Core*

Organizational change is as much about mindset as it is about structure. Throughout its transition, Company's Human Resources team has remained a strategic pillar in this journey building a resilient, future-ready workforce and ensuring that people continue to be at the heart of everything it does. HR played a pivotal role as the bridge between strategy and execution ensuring that its people were informed, aligned, and supported at every step. Unichem's approach enabled it to keep communication clear, continuous, and inclusive.

#### *Talent Acquisition & Capability Building*

Learning and Development (L&D) remained a top priority. Employees completed over 1,50,000 manhours of training, with an average of 40 hours per employee, delivered through a blend of virtual and in-person formats. Programs spanned leadership development, technical upskilling, compliance training, and soft skills enhancement, ensuring teams are equipped for both today's challenges and tomorrow's opportunities. External trainings further helped the workforce stay attuned to industry trends.

To support business operations, HR collaborated with functions to develop and deliver tailored training modules on equipment

operation and maintenance, pharmaceutical industry challenges, and site-level supervisory development. Company's in-house Train the Trainer program helped build a cadre of certified trainers capable of delivering impactful sessions. Additionally, a structured initiative to identify and nurture subject matter experts continues to thrive.

#### *Strengthening Employee Engagement & Culture*

Transformation brings great opportunity. Throughout the year, Company prioritized keeping its teams engaged and motivated. Regular town halls, feedback mechanisms, and cross-functional initiatives helped foster a culture of transparency, collaboration, and ownership.

To reinforce these efforts, monthly Leadership Meetings have gone beyond performance reviews to become a platform for strengthening shared values, promoting accountability, and recognizing adaptability and collaboration. Key messages from these meetings were cascaded to all sites to ensure that every employee remained aligned with organizational goals.

Company had deepened engagement by reaching beyond the workplace through initiatives like family assimilation programs, festive home visits, and competitions for employees' families. Cultural celebrations, national festivals, and observance of special days saw enthusiastic participation from teams across locations.

Company had also celebrated its people through long-service awards and other recognitions that honoured their commitment and contributions. Employees extended their passion for purpose to the community as well—supporting blood donation drives and other socially responsible initiatives with wholehearted participation.

#### *HR Process Optimization*

HR processes continue to evolve in line with our digital transformation journey. Company's integrated HRMS offers a seamless self-service experience across key areas including attendance, leave management, and the entire employee lifecycle.

Our state-of-the-art Learning Management System (LMS) and Performance Management System empower employees to digitally manage their development and growth. These tools not only simplify HR interactions but also deepen employee ownership of their career journeys.

#### *Industrial Relations & Compliance*

Unichem maintained harmonious industrial relations throughout the year, grounded in mutual trust and transparent communication. Our continued adherence to ethical business practices and labour law compliance reflects unwavering commitment to doing business the right way. 100% compliance to all laid down statutory and regulatory guidelines was ensured by the function, as validated through successful completion of regulatory audits and statutory inspections.

#### *Looking Ahead*

As we enter FY 2026, HR priorities will focus on sustaining momentum, deepening leadership capability, and nurturing a performance-driven culture. Company has remain committed to aligning its people strategy with evolving business needs—because transformation succeeds only when it's powered by people.

Unichem workforce stood at 3,327 as on 31st March 2025 and the employee base has around 9% women.

#### **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.*

For and on behalf of the Board of Directors,

Mumbai  
22nd May 2025

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

# Annexure B to Directors' Report

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Code of Governance

Corporate governance provides the foundational framework that shapes a corporation's management approach. It defines a structured system through which the company's principles, policies, and procedures are guided by core ethical values. This framework integrates legislative, regulatory, and ethical business elements to ensure responsible and transparent corporate conduct. The Company is committed to good Corporate Governance and your Company's actions are governed by its Values and Code of Conduct.

The company embraces a corporate governance philosophy, with a strong emphasis on financial integrity, ethical conduct and comprehensive internal control systems across all operations, to ensure the timely and accurate disclosure of material, operational, and financial information. The Company is committed to transparency in all its dealings and places emphasis on business ethics. Conducting the operations with ethics and integrity is fundamental to the Company's philosophy and business ambitions. The Company will continue to foster responsible growth, creating long-term value for our stakeholders and business partners.

The Company continues to be in compliance with the provisions of Corporate Governance as set out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the applicable provisions of the Companies Act, 2013 ("the Act"), the Corporate Governance Report, prepared in accordance with the Listing Regulations, is presented below.

### Board of Directors

#### Composition & Category of Directors

The Board of Directors is entrusted with the overall management and oversight of the Company's operations. In line with corporate governance best practices, all material information is duly presented to the Board to enable effective strategic supervision and informed decision-making.

As of 31st March 2025, Unichem's Board comprised six Directors, including one Whole-time Director, two Non-Executive and Non-Independent Directors and three Non-Executive and Independent Directors, one of whom is an Independent Woman Director. The Company does not offer permanent Board positions to any Director. The Non-independent Directors include the Non-Executive and Non-Independent Chairman of the Company.

The composition of the Board, along with details of their other directorships, committee memberships/chairmanships, and attendance at Board meetings and the Annual General Meeting ("AGM") during the financial year, is provided below:

Name	Category	Attendance in financial year		Shareholding in the Company as on 31st March 2025	No. of Directorships in other public companies*	No. of committee positions in other public companies*		Name of listed companies where directorship is held and its category
		Board	AGM			Member	Chairman	
Dr. Prakash A. Mody (DIN: 00001285)	Non-Executive & Non-Independent Director (Chairman)	6/7	Yes	89,97,952	0	0	0	Nil
Mr. Pabitrakumar Bhattacharyya (DIN: 07131152)	Managing Director	7/7	Yes	1	1	0	0	Non-Executive & Non-Independent Director of Krebs Biochemicals & Industries Ltd
Mr. Pranay Godha (DIN: 00016525)	Non-Executive & Non-Independent Director	7/7	Yes	0	1	0	0	MD & CEO of Ipca Laboratories Limited
Mrs. Priti Puri (DIN: 07755966)	Independent Director	6/7	Yes	0	0	0	0	Nil
Mr. Anand Kusre (DIN: 00818477)	Independent Director	7/7	Yes	0	1	0	0	Nil

Name	Category	Attendance in financial year		Shareholding in the Company as on 31st March 2025	No. of Directorships in other public companies*	No. of committee positions in other public companies®		Name of listed companies where directorship is held and its category
		Board	AGM			Member	Chairman	
Mr. Arun Todarwal (DIN: 00020916)	Independent Director	7/7	Yes	1,000	6	2	5	Non-Executive & Independent Director of Nesco Limited and Laxmi Organic Industries Limited Non-Executive & Non-Independent Director of Anuh Pharma Limited

\* Directorships in Private Limited Companies, foreign entities (including the Company's foreign subsidiaries), and companies registered under Section 8 of the Companies Act are excluded.

@ Includes only memberships/chairmanships of the Audit Committee and the Stakeholders' Relationship Committee.  
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 scheduled well in advance to facilitate full attendance and active participation by all Directors. During the year under review, Unichem's Board met seven times on the following dates: 22nd May 2024; 8th August 2024; 30th September 2024; 13th November 2024, 6th February 2025; 1st March 2025 and 28th March 2025. The interval between consecutive Board meetings complied with the time limits prescribed under the Act and the Listing Regulations, as amended from time to time.

The Company Secretary, in coordination with the Managing Director ("MD"), is responsible for preparing the agenda for Board and Committee meetings. The agenda outlines the matters to be discussed and is supported by relevant notes, presentations, and action taken reports, as required. Directors are provided with the agenda and accompanying materials at least seven days prior to the scheduled meetings. In cases involving price-sensitive matters, a shorter notice period is observed.

Draft minutes of the Board and Committee meetings are circulated to the Directors within 15 days of the respective meeting and any suggestions or feedback received from the members are appropriately incorporated.

### Independent Directors & their familiarisation

All Independent Directors have confirmed their compliance with the independence criteria prescribed under Section 149(6) of the Act and Regulation 16(b) of the Listing Regulations. Furthermore, it is affirmed that the Independent Directors meet all applicable requirements under the Listing Regulations and continue to maintain independence from the Management.

During the year under review, a meeting of the Independent Directors was held on 1st March 2025, to discuss matters as prescribed under Schedule IV of the Act and the Listing Regulations. All Independent Directors were present at the meeting.

The Company has implemented a structured familiarization program to equip Independent Directors with a comprehensive understanding of their roles, rights, and responsibilities, along with insights into industry dynamics and the Company's business model. Details of the familiarization program, including the specific training sessions conducted during the year, are available on the Company's website at

<https://www.unichemlabs.com/pdf/press-release/2025/03/Familiarisation-Programmes-for-the-financial-year-24-25.pdf>

The Company acknowledges the importance of keeping the Board informed about key developments within the organization as well as external factors influencing the business and industry. In addition to financial presentations and updates on compliance matters, the Board actively participates in discussions on business strategies and operational progress. These comprehensive deliberations during Board meetings ensure that Directors remain well-informed and aligned with the Company's strategic direction and operational objectives.

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

As required, a brief profile and relevant details of the Director retiring by rotation are provided in the Notice of the AGM and forms an integral part of this Annual Report.

The core skills, expertise, and competencies identified by the Board of Directors as essential in the context of the Company's business are outlined below:

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

#### Performance evaluation

In accordance with the Act and Regulation 17(10) of the Listing Regulations, the Board carried out an annual evaluation of its own performance, that of its Committees and individual Directors. The assessment of Independent Directors was conducted by the entire Board, excluding the Directors being evaluated, through a structured questionnaire developed with inputs from the Directors. This questionnaire covered various aspects of the functioning of the Board and its Committees.

Additionally, in a separate meeting of the Independent Directors, the performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company was reviewed, taking into consideration the views of both Executive and Non-Executive Directors.

The evaluation was based on diverse criteria, including strategic vision, active participation in Board discussions, oversight of management policies, compliance orientation, and leadership capabilities.

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

The Company has adopted a Code of Business Conduct and Ethics, which is publicly available on its website at: <https://www.unichemlabs.com/pdf/policies/code-of-business-conduct-ethics.pdf>.

Committed to fostering workplace integrity and ethical business practices, the Company ensures strict adherence to this Code. All members of the Board and Senior Management Personnel have affirmed compliance with the Code for the financial year ended 31st March 2025. A declaration to this effect, duly signed by the Managing Director, is duly annexed to this report.

#### Audit Committee

The Audit Committee oversees the Company's internal control systems and financial reporting processes, with a focus on ensuring accurate, timely, and transparent disclosure of information. This oversight reinforces the integrity and quality of the Company's financial controls and reporting framework.

The Committee's scope of responsibilities includes all matters prescribed under Section 177 of the Act and Regulation 18 of the Listing Regulations. Key areas of review include internal audit reports, analysis of the Company's financial condition and operational performance, internal financial controls, significant related party transactions, and other matters as mandated by applicable regulations.

The Chief Financial Officer, Internal Auditor and a representative of the Statutory Auditors are regular invitees to the Committee meetings to provide necessary inputs and clarifications.

The Company Secretary serves as the Secretary to the Audit Committee.

Throughout the FY 2025, the interval between any two Audit Committee meetings remained within the prescribed limits as per the Companies Act and the Listing Regulations, as amended from time to time.

Details of the Committee's composition and attendance during the year are provided below.

Name of the Director	Position	Meeting Dates						Held during the tenure	Attended
		22nd May 2024	8th August 2024	30th September 2024	13th November 2024	6th February 2025	28th March 2025		
Mr. Arun Todarwal	Chairman	✓	✓	✓	✓	✓	✓	6	6
Mrs. Priti Puri	Member	✓	✓	✓	x	✓	✓	6	5
Mr. Anand Kusre	Member	✓	✓	✓	✓	✓	✓	6	6
Mr. Pabitrakumar Bhattacharyya	Member	✓	✓	✓	✓	✓	✓	6	6

#### Nomination and Remuneration Committee

The Committee's terms of reference are fully aligned with the provisions outlined under Section 178 of the Act and Regulation 19 of the Listing Regulations. These encompass all responsibilities mandated for such Committees, ensuring effective oversight of matters related to nomination, remuneration, and Board diversity.

The Company Secretary serves as the Secretary to the Committee.

Details regarding the composition of the Committee and attendance of its members during the FY 2025 are provided below:

Name of the Director	Position	Meeting Dates			Held during the tenure	Attended
		22nd May 2024	8th August 2024	6th February 2025		
Mr. Anand Kusre	Chairman	✓	✓	✓	3	3
Mr. Arun Todarwal	Member	✓	✓	✓	3	3
Mrs. Priti Puri	Member	✓	✓	✓	3	3

#### Remuneration of Directors

During the FY 2025, there were no financial relationships or transactions between the Non-Executive Directors and the Company, except for the remuneration received as here under:

(₹ in crores)

Name of the Director	Sitting Fees	Commission payable for FY 2025	Consolidated Salary	Perquisites and Allowances	Total Amount
Dr. Prakash A. Mody	0.06	N.A.	N.A.	N.A.	0.06
Mr. Pranay Godha	0.09	N.A.	N.A.	N.A.	0.09
Mrs. Priti Puri	0.14	N.A.	N.A.	N.A.	0.14
Mr. Arun Todarwal	0.17	N.A.	N.A.	N.A.	0.17
Mr. Anand Kusre	0.17	N.A.	N.A.	N.A.	0.17
Mr. Pabitrakumar Bhattacharyya*	N.A.	N.A.	3.07	N.A.	3.07

\* The appointment of the Managing Director may be terminated by providing three months' written notice or such shorter notice period as may be mutually agreed upon between the Managing Director and the Board of Directors.

#### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is entrusted with the responsibility of addressing shareholder and investor grievances, including matters related to share transmission, non-receipt of annual reports or declared dividends, issuance of duplicate share certificates, and review of the share dematerialization process. The Committee reviews steps undertaken by the Company for enhancing shareholder satisfaction and strengthening investor relations.

The Committee's terms of reference are comprehensive, covering all matters prescribed under Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

In line with Regulation 46(2)(j) of the Listing Regulations and to enhance investor services, the Company has established a dedicated grievance redressal email ID: [shares@unichemlabs.com](mailto:shares@unichemlabs.com). This inbox is regularly monitored by the Secretarial function to ensure prompt resolution of investor concerns.

The Company Secretary serves as the Compliance Officer and also acts as the Secretary to the Committee.

During the year, the Company received 13 complaint(s) from shareholders, all of which were resolved satisfactorily. No investor complaints were pending at the beginning or end of the financial year.

The Company has duly processed all valid requests for share transfers received during the year, and no such requests were pending as of 31st March 2025.

Details of the Committee's composition and attendance during the FY 2025 are provided below.

Name of the Director	Position	Meeting Date 22nd May 2024	Attended
Mr. Anand Kusre	Chairman	✓	1
Mr. Pranay Godha	Member	✓	1
Mr. Pabitrakumar Bhattacharyya	Member	✓	1
Mrs. Priti Puri	Member	✓	1

#### Risk Management Committee

The Risk Management Committee is entrusted with responsibilities as outlined in Part D of Schedule II of the Listing Regulations. These include monitoring and reviewing the Company's risk management framework, evaluating the effectiveness of risk mitigation strategies and reporting its findings to the Board of Directors as deemed appropriate. The Committee's terms of reference are comprehensive and fully aligned with the requirements specified under Regulation 21 of the Listing Regulations.

A detailed overview of the Company's risk management practices is provided in the Management Discussion and Analysis Report, forming part of the Annual Report for the FY 2025.

The Company Secretary serves as the Secretary to the Committee.

Details regarding the composition of the Risk Management Committee and the attendance of its members during the FY 2025 are presented below.

Name of the Director	Position	Meeting Dates		Held during the tenure	Attended
		8th August 2024	6th February 2025		
Mr. Arun Todarwal	Chairman	✓	✓	2	2
Mr. Pranay Godha	Member	✓	✓	2	2
Mr. Anand Kusre	Member	✓	✓	2	2
Mr. Pabitrakumar Bhattacharyya	Member	✓	✓	2	2

#### Corporate Social Responsibility Committee ("CSR")

The Committee's terms of reference are broadly defined and aligned with the Company's Corporate Social Responsibility (CSR) Policy. Its key responsibilities include:

- Reviewing and enhancing the CSR Policy to clearly define the activities to be undertaken by the Company in accordance with Schedule VII of the Act.
- Providing strategic guidance on CSR initiatives and overseeing their effective implementation and progress.

The Company Secretary serves as the Secretary to the Committee.

Details of the Committee's composition and attendance during the FY 2025 are provided below.

**Details of the senior management, including any changes that have occurred since the close of the previous financial year, are as follows:**

Name of the Director	Position	Meeting Date 22nd May 2024	Attended
Mr. Arun Tadarwal	Chairman	✓	1
Mr. Pranay Godha	Member	✓	1
Mr. Pabitrakumar Bhattacharyya	Member	✓	1

#### General Body Meetings

Details of last three AGM are as under:

Name	Designation
Dr. Prakash A. Mody	Chairman
Mr. Pabitrakumar Bhattacharyya	Managing Director
Mr. Jalesh Burye	Chief Quality & Compliance Officer
Dr. Dhananjay Sathe	Chief Scientific & Compliance Officer
Dr. Ashwani Kumar (upto 17.12.2024)	Chief Manufacturing & Compliance Officer
Mr. Sandip Ghume (upto 30.06.2024)	Deputy Chief Financial Officer
Mr. Sanjay Jain (w.e.f. 08.08.2024)	Chief Financial Officer
Mr. Pradeep Bhandari	Head – Legal & Company Secretary
Mr. Utkarsh Patil (w.e.f. 06.02.2025)	Chief Manufacturing Officer – Formulations

#### Postal Ballot

During the year, no business was transacted through postal ballot.

AGM	Year	Venue	Date	Time	Items of Special Resolution passed at each Meeting
61st	2023-2024	Through Video Conference	Thursday, 8th August 2024	2:00 p.m.	None.
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.

#### Means of Communication

- The Company publishes its unaudited quarterly and half-yearly financial results within forty-five days from the end of the respective period and its audited annual results within sixty days from the close of the financial year, in compliance with the timelines prescribed under the Listing Regulations.
- Upon approval, the financial results are promptly submitted to the Stock Exchanges and published in a national English daily, Business Standard. Additionally, within forty-eight hours of approval, the results are published in a regional language newspaper, Mumbai Lakshadeep (Marathi) and uploaded on the Company's website at [www.unichemlabs.com](http://www.unichemlabs.com) for wider public access.
- All corporate communications, including quarterly results, shareholding patterns, compliance reports and other disclosures, are filed electronically with BSE Limited and NSE Limited through the BSE Listing Centre and NEAPS portal, respectively, in adherence to regulatory requirements.
- The Company's website features a dedicated "Investors" section that provides key information such as unclaimed dividends, shareholding patterns, quarterly/half-yearly financial results, and other disclosures relevant to investors and the general public.

**General Shareholder Information****Date, Time and Venue of the 62nd AGM**

Date : Monday, 4th August 2025  
 Time : 3.00 p.m.  
 Venue : Through Video Conference

The AGM for the FY 2025 will be conducted through Video Conference (VC) or Other Audio-Visual Means (OAVM), in accordance with the applicable regulatory guidelines.

**Financial Year:** 1st April 2024 to 31st March 2025

**Reporting Calendar:** Within 45 days from the end of each quarter and 60 days from the end of the financial year, as mandated under the Listing Regulations.

**Stock Exchanges on which shares are listed along with Stock Codes**

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

The Company has duly paid the Annual Listing Fees to both the Stock Exchanges.

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

MUFG Intime India Private Limited  
 C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083  
 Toll Free No.: 8108116767 • Fax.: (022) 4918 6060  
 E-mail id: [rnt.helpdesk@in.mpms.mufig.com](mailto:rnt.helpdesk@in.mpms.mufig.com)

The shareholders can raise a query or service request by visiting MUFG website > Investor Services > Service Request [https://web.in.mpms.mufig.com/helpdesk/Service\\_Request.html](https://web.in.mpms.mufig.com/helpdesk/Service_Request.html). For the convenience of shareholders, documents will be accepted from 10.00 a.m. to 5.00 p.m., Monday to Friday (except Bank holidays) at the above address.

**Introduction of "Swayam" portal**

The RTA has provided a user-friendly web-based platform named "SWAYAM", accessible at <https://swayam.in.mpms.mufig.com>. This portal enables shareholders to conveniently access a wide range of investor services. To utilize the features of SWAYAM, shareholders are required to register on the platform. Designed with an intuitive graphical user interface (GUI), SWAYAM allows investors to view and manage their portfolios seamlessly and raise service-related requests. With a single login, registered users can access all investments linked to their PAN, view company-wise summary of holdings, obtain the valuation of securities based on the latest closing prices on BSE/NSE, check their statement of holdings, monitor the status of corporate benefits and avail various other investor services.

**Share Transfer System**

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, it is mandatory for listed companies to process all service requests — such as issuance of duplicate securities certificates, claims from the unclaimed suspense account, renewal/exchange of securities certificates, endorsement, sub-division/splitting of securities certificates, consolidation of securities certificates/folios, transmission, and transposition only in dematerialized form.

Accordingly, members are requested to submit a duly filled and signed Form **ISR-4** for any such service request.

The form is available on the Company's website at <https://www.unichemlabs.com/mandatory-dematerialisation.php> and on the website of the Company's RTA, MUFG Intime India Private Limited, at <https://in.mpms.mufig.com>. Please note that service requests will be processed only for folios that are KYC compliant.

The Company also advises members who continue to hold shares in physical form to dematerialize their shareholding at the earliest to ensure ease of transactions and compliance.

**SCORES**

SEBI, through its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2024/156 dated September 20, 2024, read with Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2024/183 dated December 1, 2024, has introduced a revised framework for the handling and

monitoring of investor complaints received through the SCORES (SEBI Complaints Redress System) platform. This updated framework, effective from April 1, 2025, is applicable to listed companies and designated Stock Exchanges. Shareholders and investors can access the upgraded SCORES 2.0 platform at: <https://scores.sebi.gov.in>. This platform is aimed at streamlining the grievance redressal process and enhancing transparency and efficiency in complaint resolution.

Brief of revised timelines and process is as under:

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

### Updating KYC details

Efforts are underway to update the **Permanent Account Number (PAN)** and **bank account details** of shareholders in compliance with SEBI Regulations. Pursuant to SEBI circulars dated **November 3, 2021** and **December 15, 2021**, holders of physical securities are mandatorily required to furnish their PAN, KYC and nomination details. Shareholders holding securities in physical form are requested to submit the requisite information to the Company's RTA by completing the prescribed forms, which are available on the Company's website at: <https://www.unichemlabs.com/mandatory-dematerialisation.php>.

The Company has proactively communicated this regulatory requirement to all eligible shareholders to ensure timely compliance and uninterrupted shareholder services.

### Dematerialisation of Shares and Liquidity

As of 31st March 2025, 97.92% of the Company's paid-up share capital stood dematerialized. The entire shareholding of the Promoters is maintained in dematerialized form. The Company's equity shares remain highly liquid and actively traded on both the recognized Stock Exchanges, reflecting investor confidence and robust market participation.

### 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 relevant data is provided on the reverse side of the cover page of the Annual Report for reference and ease of access.

### 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)

47, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067, Maharashtra, India

Tel.: (022) 6647 4100 • Website: [www.unichemlabs.com](http://www.unichemlabs.com)

For shares held in physical form:

MUFG Intime India Private Limited

Unit: Unichem Laboratories Limited

C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083

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

E-mail id: [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com)

For shares held in demat form:

Concerned Depository participants of investors

### Credit Rating

ICRA, the credit rating agency, has upgraded long-term credit rating from [ICRA] A to [ICRA] A+ to the Company. Upgradation in ratings demonstrates your Company's healthy improvement in its revenues as well as significant improvement in margins due to its improved cost structure and increased capacity utilisation.

**Distribution of Shareholding on 31st March 2025**

Sr. No.	No. of shares held (From - To)	No. of Shareholders	% of Total Shareholders	No. of shares	% of Issued Capital
1	up to – 500	18,996	85.58	17,21,924	2.45
2	501 – 1,000	1,224	5.51	9,68,709	1.38
3	1,001 – 2000	870	3.92	13,06,901	1.85
4	2,001 – 3,000	326	1.47	8,23,302	1.17
5	3,001 – 4,000	184	0.83	6,56,463	0.93
6	4,001 – 5,000	162	0.73	7,40,062	1.05
7	5,001 – 10,000	277	1.25	18,80,315	2.67
8	10,001 – Above	158	0.71	6,23,08,074	88.50
	<b>Total</b>	<b>22,197</b>	<b>100.00</b>	<b>7,04,05,750</b>	<b>100.00</b>

**Shareholding Pattern as on 31st March 2025**

Sr. No.	Category	Total Shares	% of Total Capital
1	Promoters and Persons acting in Concert	4,94,40,586	70.22
2	Mutual Funds	69,60,245	9.89
3	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-Government Institutions)	1,76,582	0.25
4	Alternate Investment Funds	8,33,321	1.19
5	Foreign Portfolio Investor/Foreign Nationals/NRIs	11,15,763	1.58
6	Indian Public	1,15,46,185	16.40
7	Private Corporate Bodies	3,33,036	0.47
8	In Clearance	32	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 Related Party Transactions during the financial year that had any potential conflict with the interests of the Company at large. All Related Party Transactions are reviewed and approved periodically by the Audit Committee and the Board, in accordance with the applicable regulatory framework.

During the year, the Company had amended Policy on Related Party Transactions, which is available on its website at the following link: <https://www.unichemlabs.com/pdf/policies/related-party-transactions-policy.pdf>

**Details of Non-compliance**

The equity shares of the Company are listed on both the BSE Limited and the National Stock Exchange of India Limited (NSE). The Company has been fully compliant with all applicable capital market regulations. Furthermore, no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI, or any other statutory authority in connection with any matter relating to the capital markets during the last three financial years.

**Whistle Blower Policy**

The Company has implemented a robust Whistle Blower Policy that enables stakeholders, directors and employees to report concerns regarding unethical behaviour, fraud, or violations of the Company's Code of Business Conduct and Ethics. The policy incorporates safeguards against victimization and provides direct access to the Audit Committee.

The policy is prominently available on the Company's website and can be accessed through the following link: <https://www.unichemlabs.com/pdf/policies/009%20Whistle%20Blower%20Policy%20New.pdf>

The Company confirms that no individual has been denied access to the Audit Committee. During the year, no complaint was received under this mechanism.

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

The Company has duly complied with and disclosed all mandatory requirements as prescribed under 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 under the Listing Regulations have been adopted by the Company to the extent and in the manner outlined below:

**a. Shareholders' Rights:**

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers and made available on the Company's official website at [www.unichemlabs.com](http://www.unichemlabs.com). Additionally, these results are accessible on the websites of the stock exchanges where the Company's equity shares are listed, namely [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

**b. Modified Opinion(s) in Audit Reports:**

The financial statements of the Company for the financial year have been issued with an unmodified audit opinion, reflecting the integrity and accuracy of the Company's financial reporting.

**c. Separation of Chairman and Managing Director Roles:**

In adherence to best governance practices, the Company has maintained a clear separation of the roles of Chairman and Managing Director.

**d. Reporting by Internal Auditor:**

The Internal Auditor of the Company is a standing invitee to the Audit Committee Meetings and regularly presents internal audit findings to the Committee, thereby ensuring transparency and continuous improvement in internal controls.

### 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, an Independent Director of the Company, also serves as a nominee on the Board of Unichem Pharmaceuticals (USA) Inc., a material subsidiary of the Company.

The policy for determining 'Material Subsidiaries' is available on the Company's website and can be accessed through the following link: <https://www.unichemlabs.com/pdf/policies/policy-on-material-subsidiaries.pdf>.

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

The Company does not have significant exposure to commodities and does not participate in commodity hedging activities. However, for the financial year ended 31st March 2025, the Company prudently managed its foreign exchange risk by undertaking hedging activities, as considered appropriate and permissible. Comprehensive details of the Company's foreign currency exposure are provided in the accompanying 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 2025, has been obtained from M/s. Alwyn Jay & Co., Company Secretaries in Practice, confirming that none of the Directors on the Company's Board have been debarred or disqualified from holding such position by the SEBI, the Ministry of Corporate Affairs, or any other statutory authority. This certificate is annexed to the Corporate Governance Report.

**During the financial year, there were no instances where the Board did not accept any recommendation made by its Committees.**

### Total fees paid to all statutory auditors

The total fees paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities within the network firm/network entity of the Statutory Auditor during the financial year under review amounted to ₹ 2.41 crores.

**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

During the FY 2025, neither the Company nor its subsidiaries extended any loans or advances to firms or companies in which the Directors have an interest except loan to wholly owned subsidiary viz., Unichem Pharmaceuticals (USA) Inc. for USD 5 mn.

A Certificate pursuant to Regulation 17(8) of the Listing Regulations [Part B of Schedule II], jointly signed by the Managing Director and the Chief Financial Officer, is annexed to this Report. Additionally, in accordance with Regulation 33(2) of the Listing Regulations, the Managing Director and the Chief Financial Officer provide quarterly certifications on the financial results to the Board.

Further, the Company has received disclosures from senior management confirming that there were no transactions undertaken by them or their relatives during the year under review that could potentially conflict with the interests of the Company.

**Disclosure of certain types of agreements binding listed entities**

During the year, no such agreement has been entered into which required any disclosure under Listing Regulations.

**Unclaimed Dividend & Shares**

In accordance with Regulation 39(4) read with Schedule VI of the Listing Regulations, equity shares that remain unclaimed and are in the custody of the Company are mandatorily transferred to a designated Unclaimed Suspense Account maintained by the Company.

The details of unclaimed shares lying in the said Unclaimed Suspense Account as on 31st March 2025 are as follows:

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	13	26,190
(Less): Number of shareholders who approached listed entity 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 (Shares transferred to IEPF account)	3	7,660
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	10	18,530

In compliance with the provisions of Section 124(5) and 124(6) of the Act and the applicable rules framed under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has transferred the shares, along with all benefits accrued thereon, to the Investor Education and Protection Fund Authority ("IEPF Authority"), where the dividends have remained unclaimed for a period of seven consecutive years or more.

As mandated under Section 124(6) of the Act read with the IEPF Rules, any unclaimed or unpaid dividend for seven consecutive years or more, along with the corresponding shares, must be transferred to the IEPF Authority after following the prescribed procedure.

Accordingly, the following dividend and underlying shares were transferred to the IEPF Authority during the financial year:

Financial year	: 2016-17
Amount of unclaimed dividend transferred (₹ in crores)	: 0.28
Number of shares transferred	: 64,903

The Company has uploaded the details of such shareholders and shares transferred to the IEPF Authority on its website at <https://www.unichemlabs.com/dividend.php> and the same is also available on the website of the IEPF Authority at <https://www.iepf.gov.in>. Shareholders may claim the dividends and shares transferred to IEPF by following the prescribed procedure outlined on the IEPF website. 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, if not claimed by the shareholders, are as under:

Financial Year	Financial Year of Dividend	Date of Declaration	Proposed date of Transfer to IEPF
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

Shareholders who have not yet claimed their dividends are advised to do so at the earliest to prevent the statutory transfer of their unclaimed dividends and corresponding shares to the IEPF Authority.

To initiate the claim process or for any assistance, shareholders are requested to promptly contact the Investor Relations Department of the Company or the Company's RTA.

**Auditors Certificate:**

A certificate issued by the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance, as stipulated under the Listing Regulations, is annexed to this Report.

For and on behalf of the Board of Directors,

Mumbai  
22nd May 2025

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

# 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**  
47, Kandivli Industrial Estate,  
Kandivli (West), Mumbai – 400 067

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 47, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067, Maharashtra, India (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 2025** 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 Amrut Mody	00001285	Director	01/07/2008
2.	Pabitrakumar Kalipada Bhattacharyya	07131152	Managing Director	10/08/2023
3.	Pranay Premchand Godha	00016525	Director	10/08/2023
4.	Priti Puri	07755966	Director	21/03/2023
5.	Arun Lalchand Tadarwal	00020916	Director	05/02/2024
6.	Anand Trimbak Kusre	00818477	Director	05/02/2024

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

**Jay D'Souza**  
Partner

**FCS 3058**

C. P. No.: 6915

UDIN.: F003058G000411026

Mumbai  
22nd May 2025

## 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 2025.

For Unichem Laboratories Limited

Mumbai,  
22nd May 2025

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

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

We, Pabitrakumar Bhattacharyya, Managing Director and Sanjay Jain, Chief Financial Officer hereby certify for the financial year ended 31st March 2025 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 2025

For Unichem Laboratories Limited

**Sanjay Jain**

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 2025 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 2025.
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 2025, 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: 25118991BMJHPE1208

Mumbai  
22nd May 2025

# Annexure C to Directors' Report

Corporate Social Responsibility ("CSR") activities for the FY 2025

[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/pdf/Board-Committees.pdf>

CSR policy: <https://unichemlabs.com/pdf/policies/corporate-social-responsibility-CSR-policy.pdf>

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: ₹ (104.95) crores**  
**(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: Nil**

(₹ in crores)

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 crores
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 crores)

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:

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 (₹ in crores)	Amount spent (₹ in crores)	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: In view of net average loss for immediately three years, there was no mandatory requirement to spend towards CSR for FY 2025.**

For and on behalf of the Board & CSR Committee,

Mumbai  
22nd May 2025

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

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

# Annexure D to Directors' Report

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

[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") for the financial year ended **31st March 2025**.

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 2025** 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 2025** 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:  
The management has identified and confirmed the following laws as specifically 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 Director, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

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 a 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 and its subsidiary based on legal advice and merits, had filed appeals against the decision of General Court before the Court of Justice of the EU. On 27th June 2024, the 'Court of Justice of the EU' have upheld the fine of Euro 13.96 million imposed by the 'General Court of the EU' on the Company and Niche and demand order is awaited. During the quarter and year ended 31st March 2024, the management of the Company had made full provision of Euro 13.96 million (equivalent to ₹ 125.62 crores) towards EU fine which was disclosed under exceptional item.
2. Approval of the Board of Directors of the Company, at its meeting held on 22nd May 2024, was obtained to make equity investment in Unichem China (Private) Limited upto USD 1,00,000.
3. Approval of the Board of Directors of the Company, at its meeting held on 30th September 2024, was obtained for entering into following agreements with Bayshore Pharmaceuticals LLC, USA ("Bayshore USA") (wholly owned step-down subsidiary of Ipca Laboratories Limited, Company's holding company) for:
  - (a) Purchase all of rights, title and interest in the Product approvals and all goodwill associated with Nine (9) ANDAs owned by Bayshore USA for US dollars two million six hundred fifty thousand (\$ 2,650,000) through asset purchase agreement.
  - (b) Unichem Pharmaceuticals (USA) Inc. ("Unichem USA"), a wholly owned subsidiary of the Company, to purchase USA generics formulations marketing/distribution business of Bayshore USA (step-down subsidiary of parent company Ipca Laboratories Ltd) as a going concern through slump sale/transfer of entire business (debt free) and all goodwill associated with the business through asset purchase agreement for US dollars ten million (\$10,000,000).
4. Approval of the Board of Directors of the Company, at its meeting held on 28th March 2025, was obtained:
  - (a) for transfer of 100% shares of Unichem Laboratories Limited, Ireland (Company's wholly owned subsidiary) to Ipca Laboratories Limited (Company's holding company) for a consideration of Euro 4,25,000.

- (b) for closure of manufacturing facility of Niche Generics Limited, Wholly Owned Subsidiary of the Company in Ireland.

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

**Jay D'Souza**  
Partner

**FCS 3058**

C. P. No.: 6915

UDIN.: F003058G000410509

Mumbai

22nd May 2025

**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.: F003058G000410509

Mumbai

22nd May 2025

# Annexure E 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/KMP to the Median remuneration of the employees of the Company for the FY 2025	% increase/ (decrease) in remuneration in the FY 2025
i.	Dr. Prakash A. Mody, <i>Non-Executive &amp; Non-Independent Chairman</i> §	1.41	-
ii.	Mr. Pabitrakumar Bhattacharyya, <i>Managing Director</i> ^	72.20	7.76%
iii.	Mr. Pranay Godha, <i>Non-Executive &amp; Non-Independent Director</i> ^	2.12	-
iv.	Mrs. Priti Puri, <i>Independent Director</i>	3.18	58.82%
v.	Mr. Anand Kusre, <i>Independent Director</i> #	3.88	-
vi.	Mr. Arun Tadarwal, <i>Independent Director</i> #	3.88	-
vii.	Mr. Sandip Ghume, <i>Deputy Chief Financial Officer</i> *	9.06	-
viii.	Mr. Sanjay Jain, <i>Chief Financial Officer</i> *	13.20	-
ix.	Mr. Pradeep Bhandari, <i>Head – Legal &amp; Company Secretary</i>	26.06	6.00%

**2 The Percentage increase in the median remuneration of employees in the financial year:** (1.24)%

**3 The number of permanent employees on the rolls of company:** 3,327

**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 2025 was 6.89%.

Average increase in remuneration of managerial personnel for the FY 2025 was 7.17%.

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

Notes:

Percentage increase/decrease in remuneration is not reported as they were holding directorship / office for part of the FY 2024 / FY 2025.

§ Dr. Mody was Chairman and Managing Director till 9th August 2023, after that he became Non-Executive & Non-Independent Director.

^ Mr. Pranay Godha and Mr. Pabitrakumar Bhattacharyya were appointed on 10th August 2023.

# Mr. Anand Kusre and Mr. Arun Tadarwal were appointed on 5th February 2024.

\* Mr. Sandip Ghume was in office till 30th June 2024. Mr. Sanjay Jain was appointed as Chief Financial Officer w.e.f. 8th August 2024.

Managerial personnel (includes KMP) remuneration is on pro-rata basis and excludes incentives, if any.

For and on behalf of the Board of Directors,

Mumbai  
22nd May 2025

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

# Annexure F 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:

- 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 thus achieving saving in electricity.
- Installed Variable Frequency Drives (VFDs) to motors of various equipment to increase efficiency and reduce thermal and mechanical stress on motors and belts during starts, leading to reduction in electricity consumption.
- Thermography studies were conducted to identify duct and pipe insulation health and rectified damaged areas to reduce the amount of heat loss/gain, which in turn saved energy.
- 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.
- Replaced old, rewound motors with higher efficiency IE3 motors offering significant benefits, including substantial energy savings, reduced operating costs, and lower carbon emissions.
- 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 thereby stopping losses and saving in electricity.
- Rejected water from post treatment of secondary water system is utilized in cooling tower and washrooms, thereby saving in water consumption.
- Motion sensors installed for operation of lighting in large areas where personnel movement is less, like outer corridors resulting in saving of electricity.

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

- The new 5TPH Bricket Fired Boiler ordered at Goa Site to replace LSHS & HSD fired Boilers.
- Existing boilers running on fossil fuels were converted to run on environmentally friendly clean biomass fuels thereby reducing reliance on fossil fuels and reducing carbon emission and global warming.
- Worked out an alternative to using borewell and well water with canal water supplied by Tilari irrigation canal at Goa which is under construction by Government of Goa.

### (iii) Capital investment on energy conservation equipment: ₹ 6.06 crores

- Conversion of furnace oil fired boiler to environmentally friendly clean biomass fuel boiler at Roha site – ₹ 1.08 crores.
- New 5TPH briquette fired boiler ordered at Goa Site to replace LSHS & HSD fired boilers – ₹ 4.88 crores.
- Replacement of old motors with energy efficient motors – ₹ 0.10 crores.

## RESEARCH AND DEVELOPMENT

## b. Technology Absorption

### (i) Efforts towards technology absorption:

Unichem research and development centre, known as Centre of Excellence [CoE] is located at Goa which includes API Process Research and Analytics, Formulation Development & Analytics, Clinical Research and Intellectual Property Management. The centralised centre 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.

The centre is fully equipped to conduct pre-formulation studies, prototype development and technology transfer of oral solid dosage forms. It 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. To derive synergy, the centre is also developing best processes in API which is being followed by its parent company Ipca Laboratories Ltd.

### (ii) Benefits derived:

- 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.
- Increased number of Drug Master File (DMF) in regulated markets.
- Ontime dossier submissions for identified geographies.
- 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 crores)

Particulars	FY 2025	FY 2024
Capital	2.81	1.79
Revenue	90.00	104.67
<b>Total</b>	<b>92.81</b>	<b>106.46</b>
R & D expenditure as a percentage of turnover	5.35%	7.38%

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 2025: ₹ 1,484.01 crores

Outgo (including imports) in foreign currency – FY 2025: ₹ 227.69 crores

For and on behalf of the Board of Directors,

**Dr. Prakash A. Mody**

Chairman

(DIN: 00001285)

Mumbai

22nd May 2025

# 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	47, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067
5	Corporate office address	47, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067
6	E-mail ID	<a href="mailto:shares@unichemlabs.com">shares@unichemlabs.com</a>
7	Telephone	022 66474100
8	Website	<a href="http://www.unichemlabs.com">www.unichemlabs.com</a>
9	Financial year for which reporting is being done	1st April 2024 – 31st March 2025
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up capital	₹ 14.08 crores
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. Pabitrakumar Bhattacharyya Managing Director Telephone 022 66474100 <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	6	7

\* including subsidiary companies

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

###### a. Number of locations

Locations	Number
National * (No. of states)	12
International (No. of countries)	71

\* 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 97.6% of our total turnover during the FY 2025. (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.

**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)
	EMPLOYEES					
1.	Permanent (D)	2,103	1,826	86.83	277	13.17
2.	Other than Permanent (E)	123	105	85.37	18	14.63
3.	Total employees (D + E)	2,226	1,931	86.75	295	13.25
	WORKERS					
4.	Permanent (F)	1,039	1,037	99.81	2	0.19
5.	Other than Permanent (G)	62	62	100	0	0
6.	Total workers (F + G)	1,101	1,099	99.82	2	0.18

**b. Differently abled employees and workers**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	1	1	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D+E)	1	1	100	0	0
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

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

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

\* Key Management Personal (KMP) mentioned here consists of Company Secretary and 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 2025 (%)			FY 2024 (%)			FY 2023 (%)		
		Turnover rate in current financial year			Turnover rate in previous financial year			Turnover rate in year previous to the previous financial year		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
a	Permanent Employees	34.28	24.95	33.05	32.07	24.30	31.03	26.95	20.88	26.12
b	Permanent Workers	23.06	85.71	23.29	20.89	18.18	20.87	18.38	16.67	18.36

**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 Lta			
5	Unichem S.A. Proprietary Limited			
6	Unichem (China) Pvt Limited			
7	Synchron Research Services Private Limited	Associate	32.11%	

\* Effective from 30.04.25, entire holding in the said company have been transferred to holding company, Ipca Laboratories Limited.

**VI. CSR Details****24. (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 FY 2025 due to losses.

(ii) Turnover (in ₹.) : 1,735.70 crores

(iii) Net worth (in ₹.) : 2,459.75 crores

**VII. Transparency and Disclosure Compliances****25. 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 2025			FY 2024		
		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	227	36	All pending complaints are being investigated and will be resolved in due course	143	17	All pending complaints are being investigated and will be resolved in due course
Shareholders and investors	Yes	13	0	N.A.	1	0	N.A.
Employees and workers	Yes	0	0	N.A.	0	0	N.A.
Value Chain Partners	Yes	0	0	N.A.	0	0	N.A.
Communities	Yes	0	0	N.A.	2	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

- 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. Previous year numbers have been regrouped and rearranged to make them comparable with the current year numbers. 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. MUFG Intime India Pvt. Ltd., ([rnt.helpdesk@in.mpms.mufig.com](mailto:rnt.helpdesk@in.mpms.mufig.com)) 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.

- The Company is committed to addressing stakeholder grievances with fairness and equity. HR grievance mechanisms comprise of Grievance Policy, Code of Business Conduct and Ethics, Whistleblower Policy and the Policy on the Prevention of Sexual Harassment at the Workplace. All mandatory policies are publicly available on our website, while internal policies are accessible via our intranet. Stakeholders are encouraged to submit any complaints as per the contact details provided under the respective policies available on the intranet, reflecting our commitment to transparent and effective resolution of concerns.
- Vendors can express their grievances by reaching out to the relevant functional head or SBU head. These grievances are promptly addressed by the respective head to ensure swift resolution.
- Communities can raise their grievances through the Company's HR department, plant heads, or implementing agencies, as applicable.

## 26. 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 itself. Quality is to be achieved against specification defined. All 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. 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 follows strict procedure and systemic control to ensure product quality and efficacy and has unmatched history of compliance pertaining to international accredited regulatory agencies for all its manufacture plants.  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 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: <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 to not just meet but surpass the stringent cGMP (Good Manufacturing Practice) standards 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 implication)	Positive - A highly regulatory compliant company always has a competitive advantage and helps in increasing its volumes and profits on a consistent basis.  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 future growth of Unichem for Active Pharmaceuticals Ingredients (APIs), Process Research, Analytics, Formulation Development and Clinical Research. New product launches are subject to significant investments, regulatory roadblocks, stiff competition, patent litigations, etc. which may impact the launch dates of new products. The commitment of future investment and dedication towards R&D will ensure that Unichem will continue to offer a broad portfolio across various therapeutic areas.
b	In the case of risk, approach to adapt or mitigate	<p>We continue to invest in R&amp;D for our markets and have the necessary regulatory approvals in place. The Centre of Excellence (CoE) in Goa, fuelled by a team of scientists and PhDs, enables us to leverage our investments in manufacturing capabilities by increased filings with various regulators which in turn will enable us to deliver robust growth in the coming years.</p> <p>The R&amp;D Centre boasts a strong synthesis and analytical team with the latest facilities at their disposal. The Formulations R&amp;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.</p>
c	Financial implications of the risk or opportunity (indicate positive or negative implication)	<p>Positive - Impact on growth, revenue and profits.</p> <p>Negative - Delays in launch will lead to rising costs and price erosion.</p>

## 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 operations 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	<p>Identification of potential hazards is inherent part of process development right from early stages in R&amp;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 ISO 14001, ISO 45001, SA 8000 and others.</p> <p>Our sites have received necessary approvals from regulatory bodies and elements of Environment, Health &amp; Safety are verified from time to time to ascertain compliance with risk management.</p>
c	Financial implications of the risk or opportunity (indicate positive or negative implication)	Noncompliance with the Environment, Health & safety requirement may lead to violation and closure of operation. Further, it will also negatively impact all stakeholders and earn bad name to company. Also, the lack of safe working place will result into illness & injuries of workers apart from impacting the productivity of the company resulting result into high-cost of medical expenses. Any non-compliance of environment, health & safety requirement will lead not only to warning, fines but also closure of the manufacturing units.

**v. Sustainable Supply Chain Management**

Sr. No.	Whether risk or opportunity	Both risk and opportunity
a	Rationale for identifying risk/opportunity	Disruptions in supply chain will not only impact availability of products to customers but also our manufacturing operations in case of any shortage of materials. Maintaining optimum APIs and intermediates with transport cost rationalisation and dependence on few vendors are the key risks areas.
b	In the case of risk, approach to adapt or mitigate	<ul style="list-style-type: none"> <li>• Optimisation of transport cost to serve the customer.</li> <li>• Developing alternative suppliers for at least critical raw materials to reduce dependency on single source.</li> <li>• Strategic inventory management and maintaining buffer stock to handle supply disruptions.</li> </ul>
c	Financial implications of the risk or opportunity (indicate positive or negative implication)	Positive: Multiple vendors for uninterrupted supplies of material & cost competitiveness. Uninterrupted supply will increase the service level with customers. Negative: Disruption can increase the cost of material and loss of customers.

**vi. Water Management & Waste Management**

Sr. No.	Whether risk or opportunity	Risk
a	Rationale for identifying risk/opportunity	Manufacturing operation consumes intensive use of water which is in scarcity and used by all. Not using consciously will not only impact its availability for the society but any waste generated during the process may pose direct and long-term harm to both mankind, living beings apart from long term safety, health and environment hazards.
b	In the case of risk, approach to adapt or mitigate	<p>The fresh water is used only to the extent which is minimum required. The used water at all locations is treated in wastewater treatment plant and then reused for other suitable needs in operations thereby reducing load on freshwater demand. Manufacturing plants at Pithampur, Kolhapur, Roha &amp; Goa plants are zero liquid discharge, i.e. all the wastewater generated from operation is utilized within premises and there is no discharge outside.</p> <p>Any Waste generated at site is disposed as per approved environmental processes meeting all applicable compliances.</p>
c	Financial implications of the risk or opportunity (indicate positive or negative implication)	Lack of water management & waste management in place will lead to their disposal in environment creating a risk of contamination to soil, water, human health and attract fine, penalties and closure of manufacturing operation by regulating bodies apart from wrath from nearby communities.

**vii. Energy & Emission Management**

Sr. No.	Whether risk or opportunity	Risk
a	Rationale for identifying risk/opportunity	Most of our energy need is being fulfilled using fossil fuel which is posing environment risk and is also depleting fast. Switching to a cleaner and renewable source of energy is the need since climate change due to conventional use of energy is posing a threat to human safety, sustainability which may impact business continuity in a long run.

## vii. Energy &amp; Emission Management (contd.)

Sr. No.	Whether risk or opportunity	Risk
b	In the case of risk, approach to adapt or mitigate	<p>The company has switched to Biomass as fuel which is a clean renewable energy source for boiler operation at its two locations, namely Pithampur &amp; Kolhapur sites. Going forward the Company will install solar power plant to further reduce its dependency on conventional energy. Also, to the extent possible, express feeder connection is taken at sites which reduces need of diesel generator operation. Boilers at Ghaziabad site is operated using PNG which is clean fuel.</p> <p>All our emissions are equipped with suitable mechanism to control the pollutant within prescribed norms given by the regulatory body.</p>
c	Financial implications of the risk or opportunity (indicate positive or negative implication)	Use of energy derived from fossil fuel has a threat to human health and also to business continuity in long term as it is depleting fast. As a concerned company, we are committed to adopt sustainable energy sources to the extent possible to provide our products at competitive price to our customers.

## 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/pdf/policies/business-responsibility-policies.pdf">https://www.unichemlabs.com/pdf/policies/business-responsibility-policies.pdf</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.	<p>Manufacturing locations at Kolhapur, Roha &amp; Pithampur are certified for ISO 14001 (Environment Management System) &amp; ISO 45001 (Occupational Health and Safety Management System).</p> <p>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 various global regulators.</p>								

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	<b>Policy and Management Process</b>									
5.	Specific commitments, goals and targets set the entity with defined timelines, if any	1.	85% of the total treated effluent is to be recycled and reused by 2025.	2.	60% of total waste generated in operations is to be disposed off by co-processing/reuse/recycle by 2025.	3.	10% Scope 1 and 2 emission reduction by 2030.	4.	10% year on year reduction in Accident frequency rate and Incident frequency rate.	
6.	Performance of the entity against the specific commitments, goals and targets, along with reasons in case the same are not met	1.	81% of the treated effluent could be recycled during year 2025. At one of the site we had to reduce effluent recycle as per instruction from local authority.	2.	45% of generated waste is disposed off by co-processing / reuse / recycle. We are targeting to enhance it in coming year.	3.	10% reduction in scope 1 and 2 emissions is already achieved in 2024 which is further enhanced in year 2025.	4.	10.1% year on year reduction is achieved in accident frequency rate and incident frequency rate.	

#### GOVERNANCE, LEADERSHIP AND OVERSIGHT

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

- We recognise that sustainability is integral in delivering products of the highest quality in the most responsible manner to our customers.
- We constantly focus on safety and resource-efficiency in our manufacturing processes in a manner that creates value while minimizing and mitigating its adverse impacts on the environment and society through all stages of its life cycle.
- We actively engage in collaborative efforts with our internal teams and external partners to innovate and implement practices that align with our sustainability goals.
- 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.

##### 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	5 as a part of familiarization programme.	During the year a residential program for Board members was kept at our Goa manufacturing plant as well as for R&D facilities. All the members received regular updates on operations during Board / Committees meetings. A detailed presentations is being made by the Managing Director which includes Company's strategy, market dynamics, new products. Cost optimisation and sustainability future outlook.	91%
b	Employees/ Workers other than the Board of Directors and KMPs	Average training hours per employee is around 40 hours on various programs.	The employees and workers undergo various training/awareness sessions such as induction training, Good documentation practice, Data Integrity, EHS induction at the time of joining and various technical & compliance training during the employment. These programs also cover training under Code of Conduct and Ethics, Human Rights, Health & Safety, Whistleblower policy, POSH policy, Antibribery & Gifting policy, Supplier Code of Conduct, Sustainable Procurement policy, Grievance Procedure, Pharmacovigilance, Mock drill, First Aid, Technical and Skill Development & Competency Building.	91%
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 2025: 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:

We are committed to conducting business with integrity and the highest ethical standards. Our Code of Business Conduct and Ethics is available on our website and intranet, while our Anti-Bribery Policy is accessible to all employees on the intranet. Both policies reflect our zero-tolerance approach to unethical behaviour. Compliance is regularly monitored by our HR and Internal Audit teams. Any violations are promptly investigated and reported to the Audit Committee for necessary action.

These policies are part of our employee training programs to ensure awareness and understanding at all levels. They are also readily available online for easy access. 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/pdf/policies/code-of-business-conduct-ethics.pdf>

## 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 2024 and FY 2025.

## 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 2025	FY 2024
Number of days of accounts payables	70	65

**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 2025	FY 2024
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)	2.81%	0.20%
	b. Sales (Sales to related parties / Total Sales)	66.40%	67.77%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	99.56%	Nil
	d. Investments (Investments in related parties /Total Investments made)	97.31%	97.27%

**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 2025	FY 2024	Details of improvement in environment and social impacts
a	R&D	-	0.41%	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 was carried out in FY 2024.
b	Capex	-	-	

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

Yes, the entity has Sustainable Procurement Policy in place which covers sustainable sourcing while ensuring the highest standards in product quality, safety, and supply reliability. Further the supply chain strategy emphasizes sustainable procurement, encourage local sourcing of materials. Standard Operating Procedures (SOPs) are in place for appointing vendors. Compliance with Good Manufacturing Practices (GMP) ensures that products are consistently produced and adhered to the highest quality standards.

Weblink of the policy: <https://www.unichemlabs.com/pdf/policies/Sustainable-Procurement-Policy.pdf>

**(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**

Our products are exported to other countries. Hence liability to reuse, recycle and disposing of them at the end of life is on our customer as per law of land applicable to them.

Particulars	FY 2025			FY 2024		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	230.6 MT	-	-	153.6 MT	-
E-waste	-	1.6 MT	-	-	14 MT	-
Hazardous waste	-	2,492.2 MT	4,044.1 MT	-	2,545.8 MT	3,440.8 MT
Other waste	0.0 MT	613.7 MT	-	0.5 MT	-	629.7 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**

Our EPR waste is recycled by local recyclers and scrap dealers. We fulfil our EPR liability by exchanging EPR credit in accordance with governing rules of Pollution Control Board.

**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)
Permanent Employees												
a	Male	1,826	1,826	100	1,826	100	0	0	78	4.27	NA	NA
b	Female	277	277	100	277	100	277	100	NA	NA	181	65.34
c	Total	2,103	2,103	100	2,103	100	277	13.17	78	3.71	181	8.61
Other than Permanent Employees												
a	Male	105	105	100	105	100	0	0	1	0.95	NA	NA
b	Female	18	18	100	18	100	18	100	NA	NA	11	61.11
c	Total	123	123	100	123	100	18	14.63	1	0.81	11	8.94

\* Paternity benefit policy is currently extended only for Corporate employees.

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

Sr. No.	Category	% workers covered by										
		Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits*		Daycare facilities	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers												
a	Male	1,037	1,037	100	1,037	100	NA	NA	1	0.1	NA	NA
b	Female	2	2	100	2	100	2	100	NA	NA	2	100
c	Total	1,039	1,039	100	1,039	100	2	0.19	1	0.1	2	0.19
Other than Permanent workers												
a	Male	62	62	100	62	100	NA	NA	0	0	NA	NA
b	Female	0	0	0	0	0	0	0	NA	NA	0	0
c	Total	62	62	100	62	100	0	0	0	0	0	0

\* Paternity benefit policy is currently extended only for Corporate employees.

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

	FY 2025	FY 2024
Cost incurred on well-being measures as a % of total revenue of the company	0.14%	0.17%

LIC death cover premium and EDLI premium have also been accounted in both the years and % for FY 2024 has been changed accordingly.

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

Sr. No.	Benefits	FY 2025			FY 2024		
		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	Yes	100.00	100.00	Yes
b	Gratuity	95.37	94.46	Yes	92.38	87.51	Yes
c	ESI	10.24	43.05	Yes	20.58	51.78	Yes
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, except one, who is provided with full support and physical infrastructure to the extent required. We are otherwise fully committed for an inclusive environment to give 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.

Web-link of the policy is at: <https://www.unichemlabs.com/pdf/policies/business-responsibility-policies.pdf>

## 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	100	N.A.	N.A.	N.A.
b	Female	100	81.81	N.A.	N.A.
c	<b>Total</b>	<b>100</b>	<b>81.81</b>	<b>N.A.</b>	<b>N.A.</b>

## 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:

- Grievance Handling Policy is readily accessible on the company's intranet, to raise any concerns or complaints. This policy ensures a clear and confidential process for issue resolution.
- In alignment with regulatory requirements, the Company has established an Internal Complaints Committee (ICC) dedicated to addressing issues related to sexual harassment in the workplace. Our comprehensive Policy on the Prevention of Sexual Harassment outlines clear procedures for reporting and resolution, supported by ongoing awareness initiatives across the organization.
- Employees can report unethical behaviour or misconduct through the Whistleblower Policy, which provides a secure and structured grievance mechanism. Complaints are reviewed and escalated to the Audit Committee of the Board for impartial and thorough investigation.

- The HR department actively encourages employees to share feedback, suggestions, or concerns regarding working conditions, health, and safety. This open communication culture strengthens workplace well-being and continuous improvement.
- While grievances from non-permanent employees are primarily handled by their respective contractors, the Company provides necessary support, information, and documentation to assist in resolving such matters. This collaborative approach ensures a fair and efficient grievance resolution process for all parties.

## 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 2025			FY 2024		
		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>2,103</b>	<b>116</b>	<b>5.52</b>	<b>1,970</b>	<b>119</b>	<b>6.04</b>
a	Male	1,826	116	6.35	1,710	119	6.96
b	Female	277	0	0	260	0	0
	<b>Total Permanent Workers</b>	<b>1,039</b>	<b>133</b>	<b>12.80</b>	<b>905</b>	<b>134</b>	<b>14.81</b>
a	Male	1,037	133	12.83	900	134	14.89
b	Female	2	0	0	5	0	0

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

Sr. No.	Category	FY 2025					FY 2024				
		Total (A)	On health and safety		On skill upgradation		Total (D)	On health and safety		On skill upgradation	
			No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees											
a	Male	1,931	1,715	88.81	1,852	95.91	1,868	1,850	99.04	1,786	95.61
b	Female	295	237	80.34	236	80.00	285	271	95.09	236	82.81
c	Total	2,226	1,952	87.69	2,088	93.80	2,153	2,121	98.51	2,022	93.92
Workers											
a	Male	1,099	1,061	96.54	1,098	99.91	1,036	1,015	97.97	1,034	99.81
b	Female	2	2	100	2	100	5	5	100	5	100
c	Total	1,101	1,063	96.55	1,100	99.91	1,041	1,020	97.98	1,039	99.81

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

Sr. No.	Category	FY 2025			FY 2024		
		Total (A)	No. (B)	(%B/A)	Total (C)	No. (D)	(%D/C)
	<b>Employees</b>						
a	Male	1,931	1,639	84.88	1,868	1,444	77.30
b	Female	295	254	86.10	285	249	87.37
c	<b>Total</b>	<b>2,226</b>	<b>1,893</b>	<b>85.04</b>	<b>2,153</b>	<b>1,693</b>	<b>78.63</b>
	<b>Workers</b>						
a	Male	1,099	805	73.25	1,036	709	68.44
b	Female	2	2	100	5	5	100
c	<b>Total</b>	<b>1,101</b>	<b>807</b>	<b>73.30</b>	<b>1,041</b>	<b>714</b>	<b>68.59</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) 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, there is process for reporting of work-related hazards and time bound actions are taken to remove such risks. Periodic training is given to workers and they are encouraged to report such hazards.

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

Yes, The Company has an Occupational Health centre at all locations with trained medical staff. Doctor on call facility is also made available if required. Medical checkup is conducted at regular intervals at the locations. All our employees and workers undergo pre-employment health assessment to ensure a healthy life. The Company has an employee Group Medical Policy and Personal Accident Policy. 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 2025	FY 2024
a	Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	Employees	2	0
		Workers	0	0
b	Total recordable work-related injuries	Employees	10	3
		Workers	2	6
c	No. of fatalities	Employees	0	0
		Workers	0	0
d	High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
		Workers	0	0

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

The Company has defined Environment Health and Safety (EHS) system at all its sites to ensure the safety of their employees and the sustainability of its operations, reflecting the company's commitment to excellence and continuous improvement. Dedicated EHS Team is available at all sites. A safety committee is formed at each site which comprise involvement from workers. Safety promotional activities such as celebration of safety and fire service week is undertaken to improve awareness and motivate workers. Safety assessment is carried out to verify compliance with internal standards as well statutory requirements. Medical checkup is periodically undertaken. Health awareness camps are also organized from time to time.

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

Sr. No.	Particulars	FY 2025			FY 2024		
		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**

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

**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, 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		Notice boards, open houses, town hall, day to day interactions with employees, appraisals, rewards and recognitions programs, grievance mechanisms, workshops, intranet, emails and employee engagement activities.	Need Based	Engage in open dialogue with employees to address their queries on learning, performance, career development, and grievances, fostering a secure and equitable work environment.
b	Customers	No	E- mails and customer meet, participation in trade fairs, website, grievance redressal mechanism	Need based	Attending trade fair, 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 and inspections 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	Regularly	Business relation continuity, Price negotiations for Long-term partnership.

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 provide 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.	Category	FY 2025			FY 2024		
		Total (A)	No. of employees / workers covered (B)	(%B/A)	Total (C)	No. of employees / workers covered (D)	(%D/C)
Employees							
a	Permanent	2,103	1,832	87.11	1,970	1,940	98.48
b	Other than permanent	123	120	97.56	183	181	98.91
	Total Employees	2,226	1,952	87.69	2,153	2,121	98.51
Workers							
a	Permanent	1,039	1,009	97.11	905	891	98.45
b	Other than permanent	62	54	87.10	136	129	94.85
	Total Workers	1,101	1,063	96.55	1,041	1,020	97.98

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

Sr. No.	Category	FY 2025					FY 2024				
		Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
			No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees											
	Permanent	2,103	0	0	2,103	100	1,970	0	0	1,970	100
a	Male	1,826	0	0	1,826	100	1,710	0	0	1,710	100
b	Female	277	0	0	277	100	260	0	0	260	100
	Other than Permanent	123	0	0	123	100	183	2	1.09	181	98.91
a	Male	105	0	0	105	100	158	2	1.27	156	98.73
b	Female	18	0	0	18	100	25	0	0	25	100
Workers											
	Permanent	1,039	0	0	1,039	100	905	15	1.66	890	98.34
a	Male	1,037	0	0	1,037	100	900	15	1.67	885	98.33
b	Female	2	0	0	2	100	5	0	0	5	100
	Other than Permanent	62	0	0	62	100	136	34	25.00	102	75.00
a	Male	62	0	0	62	100	136	34	25.00	102	75.00
b	Female	0	0	0	0	0	0	0	0	0	0

**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)	5	16,50,000	1	13,50,000
b	Key Managerial Personnel (other than BoD)	3	56,08,871	0	-
c	Employees other than BoD and KMP	1,928	5,84,955	295	4,85,888
d	Workers	1,099	3,20,796	2	4,39,545

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

	FY 2025	FY 2024
Gross wages paid to females as % of total wages	8.48	8.11

**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, maintain a strict policy of zero tolerance towards unethical behaviour. The Company has formulated a Human rights policy which is included as a part of training to its employees. 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.	Category	FY 2025			FY 2024		
		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	N.A.	0	0	N.A.
b	Discrimination in workplace	0	0	N.A.	0	0	N.A.
c	Child labour	0	0	N.A.	0	0	N.A.
d	Forced labour/involuntary labour	0	0	N.A.	0	0	N.A.
e	Wages	0	0	N.A.	0	0	N.A.
f	Other human rights related issues	0	0	N.A.	0	0	N.A.

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

Particulars	FY 2025	FY 2024
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as % of female employees / workers	0%	0%
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 (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**

No corrective action is to be undertaken as the Company had complied with all 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 2025	FY 2024
	<b>From renewable sources</b>		
1	Total electricity consumption (A)	96	125
2	Total fuel consumption (B)	1,18,923	15,115
3	Energy consumption through other sources (C)	0	0
4	<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>1,19,019</b>	<b>15,240</b>
	<b>From non-renewable sources</b>		
5	Total electricity consumption (D)	3,23,118	2,87,552
6	Total fuel consumption (E)	1,39,319	1,91,489
7	Energy consumption through other sources (F)	0	0
8	<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>4,62,437</b>	<b>4,79,041</b>
9	<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>5,81,456</b>	<b>4,94,281</b>
10	<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	0.000033500	0.000034274
11	<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	0.000406	0.000802
12	<b>Energy intensity in terms of physical output</b>	<b>186.90</b>	<b>135</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 2025	FY 2024
<b>Water withdrawal by source (in kilolitres)</b>			
a	Surface water	1,71,695	1,32,036
b	Groundwater	1,49,023	1,46,307
c	Third-party water	1,22,183	1,18,117
d	Seawater / desalinated water	0	0
e	Others	0	0
f	<b>Total volume of water withdrawal (in kilolitres) (a + b + c + d + e)</b>	<b>4,42,901</b>	<b>3,96,460</b>
g	<b>Total volume of water consumption (in kilolitres)</b>	<b>4,42,901</b>	<b>3,96,460</b>
h	<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)	0.000026	0.000027
i	Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000597	0.000643
j	Water intensity in terms of physical output	96.26	108.28
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 2025	FY 2024
<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	45,288 KL Wastewater is discharged after treatment in ETP equipped with primary, secondary & tertiary treatment.	50,109 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	13,934 KL Wastewater is discharged to CETP after treatment in ETP equipped with primary, secondary & tertiary treatment.	18,443 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	1,52,990 KL. Wastewater is recycled after treatment in ETP/RO equipped with primary, secondary, tertiary and advanced treatment.	1,57,840 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>2,12,212 KL</b>	<b>2,26,392 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 maximize recycling and re-use of treated wastewater within the sites, thereby reducing the intake of fresh water. The Company is committed towards resource conservation and follows all possible ways to achieve it. Already four of our factories recycle and reuse their wastewater within the site. Such recycled water is used in cooling tower, toilet flushing, gardening etc. Zero liquid discharge is implemented at manufacturing plants located at Goa, Roha, Pithampur & Kolhapur.

**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 2025	FY 2024
a	NOx	mg/Nm3	70.52	69.34
b	SOx	mg/Nm3	67.30	136.56
c	Particulate Matter (PM)	mg/Nm3	45.42	45.69
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 2025	FY 2024
a	Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	10,405	13,842
b	Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	59,689	74,188
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 CO <sub>2</sub> equivalent per rupee of turnover	0.000004038	0.000006104
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 CO <sub>2</sub> equivalent per rupee of turnover adjusted for PPP	0.000094498	0.000142835
e	Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO <sub>2</sub> equivalent per metric tonnes of production	22.531	24.044
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 & Roha. 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 2025	FY 2024
<b>Total Waste generated (in metric tonnes)</b>			
(i)	Plastic waste (A)	230.6	153.6
(ii)	E-waste (B)	1.6	1.4
(iii)	Bio-medical waste (C)	11.0	9.3
(iv)	Construction and demolition waste (D)	0.0	0.0
(v)	Battery waste (E)	1.4	3.1
(vi)	Radioactive waste (F)	0.0	0.0
(vii)	Other Hazardous waste. Please specify, if any. (G)	6,536.3	5,986.6
(vii)	Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	602.7	620.4
	<b>Total (A+B+C+D+E+F+G+H)</b>	<b>7,383.6</b>	<b>6,774.4</b>
	<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)	0.000000425	0.000000470
	<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	0.000009954	0.000010992
	<b>Waste intensity in terms of physical output</b>	<b>2.373</b>	<b>1.850</b>
	<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	2,725.8	2,703.9
(ii)	Re-used	0.0	0.5
(iii)	Other recovery operations	124.4	105.9
	<b>Total</b>	<b>2,850.2</b>	<b>2,810.3</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	123.4	242.1
(ii)	Landfilling	3,780.3	3,463.5
(iii)	Other disposal operations	479.4	260.4
	<b>Total</b>	<b>4,383.1</b>	<b>3,966.0</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 follows hazardous waste management and handling rules, some of the measures followed are:

- At source segregation of hazardous and non-hazardous waste
- Minimization of waste by controlling leakage/spillage/ handling losses
- Minimization of waste by process optimization
- Storage of waste at dedicated waste storage area, segregation as per different categories of waste
- Co-processing of waste to cement industry resulting in utilization of energy out of waste

The Company has laid down safety procedures for the identification of hazards from the chemicals being used, using its Material Safety Data Sheet (MSDS). Training is imparted to all concerned. Dedicated and segregated storage is done as per the compatibility and storage conditions of the material. Leakage collection and arrest measures are provided in each storage area. An emergency action plan is prepared and training is imparted to all concerned.

**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 except in one case pertaining to year 2018, where the Company had already addressed the issues raised and stay had been granted by the concerned High court.

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

**Essential Indicators**

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

The Company is a member of two 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)
1	Goa Chamber of Commerce & Industries	State
2	Goa Pharmaceutical Manufacturers Association	State

**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. During the year General Court before the Court of Justice of the EU had given its verdict holding the EU order to impose a fine of Euro 13.96 million. The Company in the previous year had already made full provision in the books towards the same.

**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: N.A.**

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:** N.A.

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 an email ID namely [contact@unichemlabs.com](mailto:contact@unichemlabs.com) to receive the grievances. Community grievances received through any route are thoroughly investigated and addressed.

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

Sr. No.	Particular	FY 2025	FY 2024
a	Directly sourced from MSMEs/ small producers	5.10%	3.34%
b	Directly from within India	88.11%	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 2025	FY 2024
a	Rural	0.00	0.00
b	Semi-urban	8.58	8.47
c	Urban	68.52	67.11
d	Metropolitan	22.90	24.42

**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 consumer complaints which is handled 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%. Our products carry information about their responsible and safe usage. We display relevant information on the product labels as well as leaflet as per the requirement of national and international regulatory bodies guidelines for the responsible and safe consumption of medicines.
c	Recycling and/or safe disposal	Nil While the products do not specifically mention any such details on its products, they comply with the applicable required statutory requirements of the Pollution Control Board and applicable regulations for safe disposal of products etc.

**3. Number of consumer complaints in respect of the following:**

Sr. No.	Particulars	FY 2025			FY 2024		
		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	0	-	Nil	1	Refer to Principle 7 Point No. 3
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	Simethicone content failure (SA batch)
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. Investigation is carried out to find the root cause, 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 2025, 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, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, the profit 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, the 'Court of Justice of the EU' have upheld the fine of Euro 13.96 million imposed by the 'General Court of the EU' on the Company and Niche and demand order is awaited. However, the Company had made full provision of Euro 13.96 million towards EU fine. (as elaborated in note 37 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 Company's balance financial exposure (net of impairment of investment and provision for EU Fine) is ₹ 67.82 crores which comprises of outstanding trade receivable and corporate guarantee given by the Company to bank on behalf of the subsidiary. Considering the above and the future business outlook of Niche, 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 and Board of Directors Responsibility for the standalone financial statements**

6. The Company's Management and Board of Directors are 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. 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 with reference to standalone financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's and the 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 based on our audit, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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;
  - e. On the basis of the written representations received from the directors as on 31st March 2025, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2025 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 36(A)(i), 36(A)(ii), 36(B)(i), 36(B)(ii) and 36(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 to note 59 of the standalone financial statements.

- v. The Company has not paid / proposed dividend during the year. Therefore, any reporting as required by section 123 of the Act is not applicable to the Company.
- vi. 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 and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

Chartered Accountants

Firm's Registration No.: 116560W/W100149

**Bhavin Kapadia**

Partner

Membership No.: 118991

UDIN.: 25118991BMJHPC4510

Place: Mumbai

Date: 22nd May 2025

**Annexure I to Independent Auditor's Report for the year ended 31st March 2025****[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, Right-of-use assets and Intangible Assets:
- (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.
  - 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.
  - 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.
  - The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and intangible assets during the year.
  - No proceedings have been initiated or are pending against the Company as on 31st March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii)
  - 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.
  - The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from banks on the basis of security, which includes current assets of the Company. The Company has also filed quarterly returns and statements with the bank which are in agreement with the books of account. Refer note 24.1 to the standalone financial statements.
- (iii) According to the information and explanations given to us, during the year, the Company has made investments in, provided guarantees or securities or granted unsecured loans and advances in the nature of loans to Companies, firms, Limited Liability Partnerships and other parties, in respect of which, our comments are as under:
- The Company has given guarantees to banks in regard to loan availed by the subsidiary and provided loans to subsidiary, details of such are given below: (₹ in crores)

Particulars	Guarantees	Loans
<b>Aggregate amount granted/ provided during the year:</b>		
Subsidiaries	33.41	42.87
Associates	-	-
Others	-	-
<b>Balance outstanding (gross) as at balance sheet date in respect of the above cases:</b>		
Subsidiaries	30.39	42.74
Associates	-	-
Others	-	-

- In our opinion, the investments made and guarantees provided, prima facie, are not prejudicial to the Company's interest, based on the information and explanations provided by the Company.
- In respect of loans granted by the Company during the year, both interest and principal were not due for repayment / payment hence reporting under this clause does not arise.
- In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

- e) There has been no loan or advance in the nature of loan granted which has fallen due during the year and, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f) During the year, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has complied with the provisions of section 185 and 186 of the Act with respect of loans granted, investments made, guarantees and security provided to the extent applicable.
- (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 generally 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 ₹ 0.03 crores (including ₹ 0.03 crores 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 2025, 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, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2025 on account of disputes are given below.

Name of the Statutes	Nature of the dues	Disputed amount (in crores)	Amount paid in protest (in crores)	Unpaid amount (in crores)	Period to which it relates	Forum where dispute is pending
The Madhya Pradesh Value Added Tax Act, 2002	Disallowance of Input tax Rebate	0.33	0.08	0.25	FY 2017-2018	Additional Commissioner of Commercial Tax, Indore
The Central Goods and Services Tax Act, 2017	Disallowance of Input Tax Credit	1.01	0.05	0.96	FY 2018-2019	Deputy Comm of Sales Tax, Maharashtra
The Central Goods and Services Tax Act, 2017	Interest and penalty of GST	93.66	-	93.66	FY 2017-18 to FY 2021-22	Commissioner Appeals Thane
The Central Goods and Services Tax Act, 2017	Disallowance of TRAN 1 Credit	1.46	0.07	1.39	FY 2017-18	Assistant Commissioner, of CGST, Dehradun
The Central Excise Act, 1944	Duty and Penalty	2.08	-	2.08	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	2.93	0.27	2.66	September 2014 to June 2017	Appellate Tribunal (CESTAT) - Mumbai

Also, refer note 36(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.
- b) The Company has not been declared willful defaulter by any bank or financial institution or any other lender.
- c) According to the information and explanations given to us and on the basis of our audit procedures, monies obtained from the term loans, have been applied for the purpose for which it was obtained after considering temporary investments of funds till the funds are utilized.
- 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 46 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) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.

- (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 2025 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 except attention is drawn in regard to material uncertainty related going concern.

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

Chartered Accountants

Firm's Registration No.: 116560W/W100149

**Bhavin Kapadia**

Partner

Membership No.: 118991

UDIN.: 25118991BMJHPC4510

Place: Mumbai

Date: 22nd May 2025

**Annexure II to Independent Auditor's Report for the year ended 31st March 2025****[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 2025, 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, 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 and Board of Director's Responsibility for Internal Financial Controls**

The Company's Management and 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.

**Auditor's 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 standalone 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 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 Company's internal financial controls 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.: 25118991BMJHPC4510

Place: Mumbai

Date: 22nd May 2025

# Standalone Balance Sheet as at 31st March 2025

CIN: L99999MH1962PLC012451

(₹ in crores)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	1,204.76	1,116.45
(b) Right of use assets	4	51.23	48.49
(c) Capital work-in-progress	3	31.03	122.36
(d) Other Intangible assets	3	18.70	-
(e) Financial assets			
(i) Investments	6	45.62	42.74
(ii) Loans	7	34.32	0.13
(iii) Other financial assets	8	6.34	5.89
(f) Other non-current assets	9	141.35	118.16
		<b>1,533.35</b>	<b>1,454.22</b>
<b>Current assets</b>			
(a) Inventories	10	584.06	500.53
(b) Financial assets			
(i) Investments	11	-	1.34
(ii) Trade receivables	12	748.14	558.41
(iii) Cash and bank balances	13		
Cash & cash equivalents		60.58	125.65
Other bank balances		28.05	3.41
(iv) Loans	14	8.61	0.04
(v) Other financial assets	15	4.83	0.23
(c) Other current assets	16	132.07	194.33
		<b>1,566.34</b>	<b>1,383.94</b>
<b>Non-current assets held for sale</b>	5	<b>9.52</b>	<b>3.35</b>
<b>TOTAL ASSETS</b>		<b>3,109.21</b>	<b>2,841.51</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	14.08	14.08
(b) Other equity	18	2,445.67	2,280.55
		<b>2,459.75</b>	<b>2,294.63</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	60.81	38.22
(ii) Lease liabilities	20	10.75	6.24
(b) Provisions	21	37.86	35.80
(c) Deferred tax liabilities (net)	22	19.87	-
(d) Other non-current liabilities	23	0.64	0.87
		<b>129.93</b>	<b>81.13</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	50.24	25.66
(ii) Lease liabilities	20	0.90	0.18
(iii) Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises		7.67	3.49
Total outstanding dues of creditors other than micro enterprises and small enterprises		253.98	246.00
(iv) Other financial liabilities	26	48.84	24.01
(b) Other current liabilities	27	20.26	30.56
(c) Provisions	28	137.64	135.85
		<b>519.53</b>	<b>465.75</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,109.21</b>	<b>2,841.51</b>
<b>Material accounting policies &amp; notes</b>	<b>1 - 63</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 2025

## For and on behalf of the Board of Directors

**Pranay Godha**

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

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sanjay Jain**

Chief Financial Officer (Membership no. ACA 110009)

**Pradeep Bhandari**

Head - Legal & Company Secretary (Membership no. ACS 14177)

# Standalone Statement of Profit and Loss for the year ended 31st March 2025

CIN: L99999MH1962PLC012451

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2025	For the year ended 31st March 2024
I Revenue from operations	29	1,735.70	1,442.16
II Other income	30	40.83	30.39
<b>III Total Income (I+II)</b>		<b>1,776.53</b>	<b>1,472.55</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	31	829.77	716.92
Purchases of Stock-in-Trade		0.85	0.90
Changes in inventories of stock-in-trade, finished goods and work-in-progress	31	(33.33)	(26.35)
Employee benefits expense	32	287.51	283.15
Finance costs	33	7.62	10.42
Depreciation and amortisation expense	3,4	108.41	105.45
Other expenses	34	397.02	416.63
<b>Total expenses (IV)</b>		<b>1,597.85</b>	<b>1,507.12</b>
<b>V Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>178.68</b>	<b>(34.57)</b>
VI Exceptional items - expenses/(Income)	34.2	(4.00)	57.61
<b>VII Profit / (Loss) before tax (V-VI)</b>		<b>182.68</b>	<b>(92.18)</b>
VIII Tax expense:			
(1) Current tax	22	-	-
(2) Deferred tax charge / (credit)	22	19.72	-
(3) Short / (Excess) provision for tax (earlier years)	22	-	-
		<b>19.72</b>	<b>-</b>
<b>IX Profit / (Loss) for the year (VII-VIII)</b>		<b>162.96</b>	<b>(92.18)</b>
X Other Comprehensive Income	35		
A (i) Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of the net defined benefit plan		1.38	(0.28)
- Equity instruments through other comprehensive income		-	-
(ii) Income tax (expense) / credit relating to items that will not be reclassified to profit or loss			
- Remeasurement of the net defined benefit plan		(0.15)	-
- Equity instruments through other comprehensive income (net)		-	-
B (i) Items that will be reclassified to profit or loss			
- Gain / (Loss) on cash flow hedge		(1.13)	(0.25)
(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 / (loss)</b>		<b>0.10</b>	<b>(0.53)</b>
<b>XI Total Comprehensive Income / (loss) for the year (IX+X)</b>		<b>163.06</b>	<b>(92.71)</b>
<b>XII Earnings per equity share (face value of ₹ 2 each)</b>	48		
(1) Basic		23.15	(13.09)
(2) Diluted		23.08	(13.09)
<b>Material accounting policies &amp; notes</b>	<b>1 - 63</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 2025

## For and on behalf of the Board of Directors

**Pranay Godha**

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

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sanjay Jain**

Chief Financial Officer (Membership no. ACA 110009)

**Pradeep Bhandari**

Head - Legal & Company Secretary (Membership no. ACS 14177)

# Standalone Statement of Changes in Equity for the year ended 31st March 2025

CIN: L99999MH1962PLC012451

## A. Equity Share Capital

Particulars	2024-2025		2023-2024	
	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)
Shares outstanding as at the beginning of the year	7,04,05,750	14.08	7,04,05,750	14.08
Add: Shares allotted under ESOP during the year	-	-	-	-
Shares outstanding as at the end of the year	7,04,05,750	14.08	7,04,05,750	14.08

## B. Other Equity

(₹ in crores)

Particulars	Employee stock options outstanding account	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
		Securities Premium	Capital Reserve	Capital Redemption Reserve	Fair Value Adjustment Reserve	Retained Earnings	Remeasurements of defined benefit plans	Gain / (Loss) on cash flow hedge	
Balance at 31st March 2023	12.05	1.33	-	4.12	-	2,359.31	(6.61)	-	2,370.20
Profit / (Loss) for the year	-	-	-	-	-	(92.18)	-	-	(92.18)
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	(0.28)	(0.25)	(0.53)
Recognition of share-based payment (ESOP) (net)	3.06	-	-	-	-	-	-	-	3.06
Transfer to retained earnings	(12.05)	-	-	-	-	12.05	-	-	-
Balance at 31st March 2024	3.06	1.33	-	4.12	-	2,279.18	(6.89)	(0.25)	2,280.55
Profit / (Loss) for the year	-	-	-	-	-	162.96	-	-	162.96
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	1.23	(1.13)	0.10
Acquisition through business combination	-	-	(17.59)	-	17.59	-	-	-	-
Recognition of share-based payment (ESOP) (net)	2.06	-	-	-	-	-	-	-	2.06
Transfer to retained earnings	-	-	-	-	(2.89)	2.89	-	-	-
Balance at 31st March 2025	5.12	1.33	(17.59)	4.12	14.70	2,445.03	(5.66)	(1.38)	2,445.67
Material accounting policies & notes 1 - 63									

### 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 Reserve:** Capital reserve is recognised against the fair value adjustment reserve acquired along with intangible assets Refer note 3(viii).

**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.

**Fair Value Adjustment Reserve:** The Company has recognised the fair value adjustment reserve in respect of the intangible assets purchased. Further as per Ind AS 38, the proportionate amount of amortization of intangible assets is transferred to Retained Earnings. Refer Note no. 3(viii).

#### 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.

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 2025

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

**Pranay Godha**

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

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sanjay Jain**

Chief Financial Officer (Membership no. ACA 110009)

**Pradeep Bhandari**

Head - Legal & Company Secretary (Membership no. ACS 14177)

# Standalone Statements of Cash Flows for the year ended 31st March 2025

CIN: L99999MH1962PLC012451

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit / (loss) before tax</b>	<b>182.68</b>	<b>(92.18)</b>
Adjustments:		
Depreciation / amortisation	108.41	105.45
Loss / (profit) on sale / discard of property, plant and equipment (net)	(0.95)	(4.90)
Unrealised exchange difference (gain) / loss (net)	(1.63)	0.18
Rent income*	-	-
Guarantee commission income	(0.27)	(0.27)
Finance cost	7.62	10.42
Provision for doubtful debts, loans, advances & deposits (net)	1.41	0.64
Fair value (gain) / loss on investments (net)	0.68	(6.44)
Net (gain) / loss on sales of shares and mutual funds	(0.02)	(64.79)
Interest income	(2.66)	(0.44)
Sundry balances written off / (written back)	(1.29)	(0.09)
Provision for European commission fine	-	125.62
Reversal of Impairment loss on financial assets		
- investment in subsidiaries	(4.00)	-
Dividend income*	-	-
	107.30	165.38
<b>Operating Profit / (Loss) before working capital changes</b>	<b>289.98</b>	<b>73.20</b>
Working Capital Adjustments:		
Trade receivables and other assets	(136.70)	(56.46)
Inventories	(83.53)	(20.34)
Trade payable and other liabilities	2.82	(37.82)
	(217.41)	(114.62)
Cash generated from / (used in) operations	72.57	(41.42)
Direct taxes refund received / (payment made)	(0.28)	(0.15)
<b>Net Cash Flow from / (used in) Operating Activities A</b>	<b>72.29</b>	<b>(41.57)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment including Capital WIP	(112.81)	(20.37)
Proceeds from sale of property, plant and equipment	2.94	8.94
Investments made		
- in subsidiaries (at cost)	(0.82)	(0.83)
Guarantee commission income realised	0.40	1.73
Sale / (purchase) of current investment (net)	1.36	65.08
Sale of non current investment (quoted equity shares)	-	0.16
Rent received *	-	-
(Increase) / decrease in escrow bank accounts & fixed deposits	(24.64)	(1.80)
Interest received	1.50	0.33
Dividend received *	-	-
<b>Net cash flow from / (used in) Investing Activities B</b>	<b>(132.07)</b>	<b>53.24</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase / (decrease) in working capital borrowings (net)	21.19	(12.36)
Loan to Subsidiary	(42.87)	-
Receipt of term loan from bank	50.39	-
Repayments of term loan to bank	(25.66)	(25.66)
Payments of lease liabilities	(1.05)	(0.17)
Finance cost paid	(6.25)	(9.65)
Dividend paid (transferred to Investor Education and Protection Fund)	(0.36)	(0.22)
<b>Net cash flow from / (used in) Financing Activities C</b>	<b>(4.61)</b>	<b>(48.06)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(64.39)</b>	<b>(36.39)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>125.65</b>	<b>155.67</b>
Effect of fair value gain / (loss) on liquid mutual funds	(0.68)	6.37
<b>Cash and Cash Equivalents at end of the year</b>	<b>60.58</b>	<b>125.65</b>

**Material accounting policies & notes** 1 - 63

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

(₹ in crores)

Particulars	1st April 2024	Cash inflows / (outflows)	Non cash changes	31st March 2025
Borrowings - non cash changes arising out of exchange rate fluctuations	63.88	45.92	1.25	111.05
Lease liabilities - non cash changes arising out of unwinding & additions of liabilities	6.42	(1.05)	6.28	11.65

Particulars	1st April 2023	Cash inflows / (outflows)	Non cash changes	31st March 2024
Borrowings - non cash changes arising out of exchange rate fluctuations	101.68	(38.04)	0.24	63.88
Lease liabilities - non cash changes arising out of unwinding & additions of liabilities	6.57	(0.17)	0.02	6.42

\* Amount less than ₹ 0.5 lakhs

## 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 2025

## For and on behalf of the Board of Directors

**Pranay Godha**

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

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sanjay Jain**

Chief Financial Officer (Membership no. ACA 110009)

**Pradeep Bhandari**

Head - Legal & Company Secretary (Membership no. ACS 14177)

# Notes to the Standalone Financial Statements

for the year ended 31st March 2025

## 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 47, Kandivali Industrial Estate, Kandivali West, Mumbai, Kandivali West, Maharashtra, India, 400067.

The Company is engaged in manufacturing of pharmaceutical products.

The financial statements of the Company for the year ended 31st March 2025 were approved and adopted by the Board of Directors of the Company in their meeting dated 22nd May 2025.

## 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 crores.

### 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, 21, 28, 36, 37 and 38, 39)
- iv) Estimation of defined benefit plan and other long-term benefits (refer note no. 2.17, 21, 28 and 45)
- v) Fair value measurement and impairment of financial instruments (refer note no. 2.26 and 53)
- vi) Recognition of "Right of use" of assets as per the requirement of Ind AS 116. (refer note no. 2.14, 4, 20, 47)

## 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 allows 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 had 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 was 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 software/ licenses [other than standalone software / 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 software / licenses cost are fully charged off to statement of profit and loss in the year of expenditure. These software /licenses are for administrative purposes.

The management has estimated the economic useful life for intangible assets as follows:

Nature of assets	Useful life
Product Licenses	Up to 6 years

**2.10. Non-Current assets / liabilities held for sale**

Non-current assets / liabilities 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 of 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. To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

**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 by deducting grant to arrive at carrying amount 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 include 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 2025, MCA has not modified any new standards or amendments to the existing standards applicable to the Company.

## 3 PROPERTY, PLANT &amp; EQUIPMENT

(₹ in crores)

Particulars	Property, Plant & Equipment							Capital work-in-progress	Other Intangible Assets		
	Freehold land	Buildings *	Plant & equipment	Furniture & fixture	Vehicles	Office equipment	Total		Software licenses	Product licenses	Total other intangible assets
<b>Gross carrying value, at cost</b>											
<b>As at 31st March 2023</b>	<b>3.78</b>	<b>494.31</b>	<b>1,100.68</b>	<b>17.00</b>	<b>4.69</b>	<b>13.39</b>	<b>1,633.85</b>	<b>147.82</b>	<b>4.35</b>	<b>-</b>	<b>4.35</b>
Additions	-	3.65	35.07	0.08	-	0.19	38.99	14.00	-	-	-
Disposal	-	3.67	1.00	1.62	2.41	0.52	9.22	-	0.01	-	0.01
Capitalisation	-	-	-	-	-	-	-	39.46	-	-	-
<b>As at 31st March 2024</b>	<b>3.78</b>	<b>494.29</b>	<b>1,134.75</b>	<b>15.46</b>	<b>2.28</b>	<b>13.06</b>	<b>1,663.62</b>	<b>122.36</b>	<b>4.34</b>	<b>-</b>	<b>4.34</b>
Additions	-	43.57	149.51	0.18	1.58	0.42	195.26	126.28	-	22.38	22.38
Disposal	-	0.98	6.56	0.54	0.04	0.05	8.17	-	-	-	-
Capitalisation	-	-	-	-	-	-	-	217.61	-	-	-
Transferred to assets held for sale (refer note 5)	0.03	4.59	0.68	-	-	0.32	5.62	-	-	-	-
<b>As at 31st March 2025</b>	<b>3.75</b>	<b>532.29</b>	<b>1,277.02</b>	<b>15.10</b>	<b>3.82</b>	<b>13.11</b>	<b>1,845.09</b>	<b>31.03</b>	<b>4.34</b>	<b>22.38</b>	<b>26.72</b>
<b>Accumulated Depreciation / amortisation</b>											
<b>As at 31st March 2023</b>	<b>-</b>	<b>84.59</b>	<b>342.96</b>	<b>8.51</b>	<b>2.89</b>	<b>9.79</b>	<b>448.74</b>	<b>-</b>	<b>4.35</b>	<b>-</b>	<b>4.35</b>
Charge for the year**	-	17.10	83.60	1.53	0.26	1.12	103.61	-	-	-	-
Disposal	-	1.21	0.76	1.52	1.23	0.46	5.18	-	0.01	-	0.01
<b>As at 31st March 2024</b>	<b>-</b>	<b>100.48</b>	<b>425.80</b>	<b>8.52</b>	<b>1.92</b>	<b>10.45</b>	<b>547.17</b>	<b>-</b>	<b>4.34</b>	<b>-</b>	<b>4.34</b>
Charge for the year	-	16.60	83.73	0.89	0.10	0.91	102.23	-	-	3.68	3.68
Disposal	-	0.25	5.42	0.44	0.03	0.04	6.18	-	-	-	-
Transferred to assets held for sale (refer note 5)	-	2.51	0.07	-	-	0.31	2.89	-	-	-	-
<b>As at 31st March 2025</b>	<b>-</b>	<b>114.32</b>	<b>504.04</b>	<b>8.97</b>	<b>1.99</b>	<b>11.01</b>	<b>640.33</b>	<b>-</b>	<b>4.34</b>	<b>3.68</b>	<b>8.02</b>
<b>Net book value</b>											
<b>As at 31st March 2025</b>	<b>3.75</b>	<b>417.97</b>	<b>772.98</b>	<b>6.13</b>	<b>1.83</b>	<b>2.10</b>	<b>1,204.76</b>	<b>31.03</b>	<b>-</b>	<b>18.70</b>	<b>18.70</b>
<b>As at 31st March 2024</b>	<b>3.78</b>	<b>393.81</b>	<b>708.95</b>	<b>6.94</b>	<b>0.36</b>	<b>2.61</b>	<b>1,116.45</b>	<b>122.36</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Buildings include one Flat amounting to Nil (P.Y. ₹ 0.97 crores) where the co-operative society is yet to be formed.

\*\*During the year ended 31st March 2024, the Company had 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 was made to align the method of depreciation with that of its parent Company, due to which the depreciation for the previous year was lower by ₹ 2.62 crores.

**Notes:**

- Capital work-in-progress includes ₹ 19.60 crores (P.Y. ₹ 42.31 crores) on account of cost of construction.
- The amount of capital commitment disclosed in note 38(a).
- Certain property, plant and equipment are hypothecated / mortgaged as security for borrowing as disclosed under note 39.
- Addition to property, plant and equipment and CWIP includes ₹ 2.81 crores (P.Y. ₹ 1.79 crores) being expenditure on Research and Development as under:

(₹ in crores)

Assets Description	2024-2025	2023-2024
Buildings	-	0.24
Plant and Machinery	0.77	1.28
Office Equipment *	0.01	-
Capital work-in-progress	2.03	0.27
<b>Total</b>	<b>2.81</b>	<b>1.79</b>

\* Amount less than ₹ 0.5 lakhs in previous year

- Ageing of Capital work-in-progress:

CWIP ageing schedule as at 31st March 2025

(₹ in crores)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11.59	2.18	0.01	17.25	<b>31.03</b>
Projects temporarily suspended	-	-	-	-	-

During the current year, the Company has completed the capacity expansion (Phase I) at Pithampur. Closing CWIP as at 31st March 2025, mainly includes manufacturing facility at Pithampur (Phase II) which is expected to capitalize in next year.

CWIP ageing schedule as at 31st March 2024

(₹ in crores)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.46	7.56	7.64	100.70	<b>122.36</b>
Projects temporarily suspended	-	-	-	-	-

Closing CWIP as at 31st March 2024, mainly includes new manufacturing facility at Pithampur which has been partially capitalised (Phase I) in the current year. Due to covid 19-pandemic, the completion timelines of the projects were extended.

vi. Depreciation charged to P&amp;L account:

(₹ in crores)

Particulars	2024-2025	2023-2024
Property, Plant and Equipments	102.23	103.60
Other Intangible Assets	3.69	-
Right of use assets	2.49	1.85
<b>Total</b>	<b>108.41</b>	<b>105.45</b>

vii. Borrowing cost:

(a) In accordance with Ind AS 23, the borrowing cost of ₹ 0.89 crores (P.Y. Nil) is capitalised to property, plant and equipment (mainly building, plant &amp; machinery).

(b) The rate used to determine the amount of borrowing costs eligible for capitalisation is 8.65 % (P.Y. Nil).

viii. Intangible Assets:

During the year ended 31st March 2025 the company purchased nine (9) ANDAs from Bayshore LLC (step - down subsidiary of its Parent Company i.e. Ipca Laboratories Ltd.) at the fair value of ₹ 22.38 crores. These ANDAs are amortised over the remaining useful life as per the financial statements of the Bayshore LLC. The corresponding fair valuation reserve amounting to ₹ 17.59 crores is also recognized in this respect and will be transferred to retained earnings in proportion to the amortization value. The range of remaining period of amortization as at 31st March 2025 is from 1 to 6 years (P.Y. Nil)

#### 4 RIGHT OF USE ASSETS

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

(₹ in crores)

Particulars	Category of ROU Assets					
	2024-2025			2023-2024		
	Leasehold Land	Buildings	Total	Leasehold Land	Buildings	Total
<b>Opening Balance</b>	<b>48.49</b>	<b>-</b>	<b>48.49</b>	<b>50.83</b>	<b>-</b>	<b>50.83</b>
Additions	-	5.23	5.23	-	-	-
Deletions *	-	-	-	(0.49)	-	(0.49)
Depreciation	(1.84)	(0.65)	(2.49)	(1.85)	-	(1.85)
<b>Closing Balance</b>	<b>46.65</b>	<b>4.58</b>	<b>51.23</b>	<b>48.49</b>	<b>-</b>	<b>48.49</b>

The Company holds leasehold land and building against which there is an annual payment over the lease period which is in range of 23-79 years and 1-4 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 (refer note 47).

\* Net of adjustments on account of modifications

#### 5 NON CURRENT ASSETS HELD FOR SALE

- 5.1 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 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 2025, the carrying value of such Property is ₹ 3.28 crores (P.Y. ₹ 3.35 crores) after being written down by a loss of ₹ 0.06 crores (P.Y. ₹ 0.06 crores) which has been charged off to the statement of profit and loss.
- 5.2 The Company has entered into an agreement for sale of immovable property situated at Jogeshwari for a consideration of ₹ 279.00 crores and it is subject to certain pre-conditions which are under process. Accordingly, carrying value of such assets aggregating to ₹ 2.21 crores (P.Y. Nil) is classified as 'assets held for sale'.
- 5.3 The carrying value of investment in Unichem Laboratories Limited, Ireland ("Unichem Ireland") is transferred to 'asset held for sale'. Also refer note 6.2.
- 5.4 As at balance sheet date, certain equipment aggregating ₹ 0.03 (P.Y. Nil) are classified as 'asset held for sale'.
- 5.5 The Company is expecting to dispose off the above assets in the next 12 months.

## 6 INVESTMENTS (NON-CURRENT)

(₹ in crores)

Particulars	No. of Shares		Face value	As at 31st March 2025	As at 31st March 2024
	As at 31st March 2025	As at 31st March 2024			
<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	3,01,33,684	1 Brasil Real	70.87 (70.87)	70.87 (70.87)
Less: Impairment in value of investments (refer note 41.1)				-	-
<b>Subtotal</b>					
Niche Generics Limited, UK	56,25,000	56,25,000	1 Pound	69.09 (69.09)	69.09 (69.09)
Less: Impairment in value of investments (refer note 37)				-	-
<b>Subtotal</b>					
Unichem Laboratories Limited, Ireland	27,60,000	27,60,000	1 Euro	21.05 (17.05)	21.05 (21.05)
Less: Impairment in value of investments (refer note 6.2)				(4.00)	-
Less: Transferred to assets held for sale (refer note 6.2)				-	-
<b>Subtotal</b>					
Unichem SA Pty Limited	19,000	19,000	10 SA Rand	0.12	0.12
Unichem Pharmaceuticals USA Inc.	64,76,955	64,76,955	1 US\$	37.44	35.39
Unichem (China) Pvt. Ltd. (refer note 41.2)	-	-	-	8.04	7.21
<b>Subtotal</b>				<b>45.60</b>	<b>42.72</b>
<b>Equity Instruments of Associate (fully paid)</b>					
Synchron Research Services Private Limited	2,08,333	2,08,333	₹ 10	5.69 (5.69)	5.69 (5.69)
Less: Impairment in value of investments (refer note 6.1)				-	-
<b>Subtotal</b>					
<b>Total of Investments measured at cost</b>				<b>45.60</b>	<b>42.72</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 (includes 2500 bonus shares)	22,500	22,500	₹ 10	0.02	0.02
<b>Sub Total</b>				<b>0.02</b>	<b>0.02</b>
<b>QUOTED</b>					
<b>Equity Instruments (fully paid)</b>					
Kothari Industrial Corporation Ltd. *	20	20	₹ 5	-	-
<b>Sub Total</b>				-	-
<b>Total of Investments measured at FVTPL</b>				<b>0.02</b>	<b>0.02</b>
<b>Total</b>				<b>45.62</b>	<b>42.74</b>
Aggregate carrying value of unquoted investments				45.62	42.74
Aggregate amount of impairment in value of investments				(162.70)	(166.70)
Aggregate carrying value of quoted investments				-	-
Aggregate market value of quoted investments				-	-

\* Amount less than ₹ 0.5 lakhs

6.1 During the year ended 31st March 2022, impairment loss on financial assets was provided of ₹ 5.69 crores 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).

6.2 The Company on the basis of abundant precaution had made full provision towards impairment of long-term investment in its wholly owned subsidiary "Unichem Laboratories Ltd, Ireland" amounting to ₹ 17.05 crores (P.Y. ₹ 21.05 crores). 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 future cash flows. Subsequent to the year ended 31st March 2025, the Company has transferred its 100% stake in its wholly owned subsidiary Unichem Laboratories Limited, Ireland ("Unichem Ireland"), to its Ultimate Parent Company, Ipca Laboratories Limited. As per the agreement, the Company is entitled to receive a consideration of ₹ 4.00 crores for such transfer and accordingly impairment provision is reversed to that extent.

## 7 LOANS (NON-CURRENT)

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Unsecured, considered good</b>		
Loans to Employees	0.13	0.13
Loan to Subsidiary (refer note 7.1)	34.19	-
<b>Total</b>	<b>34.32</b>	<b>0.13</b>

- 7.1 Loan to subsidiaries: Details of loans and advances in the nature of loan to subsidiaries, associates etc. as required under Schedule V(A)(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

Sr.No	Name of the Company and relationship	Balance as at 31st March 2025	Maximum Outstanding during the year 2024-2025	Balance as at 31st March 2024	Maximum Outstanding during the year 2023-2024
(i)	Unichem Pharmaceuticals (USA), Inc - Subsidiary	42.74	42.74	-	-

There are no loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

## 8 OTHER FINANCIAL ASSETS ( NON-CURRENT )

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
Inter-Corporate Deposits (refer note 8.1) [Net of provision for Impairment loss of ₹ 10 crores (P.Y. ₹ 10 crores)]	-	-
Deposits		
Considered Good	6.34	5.89
Considered Doubtful	0.54	0.54
Less :Allowance for Doubtful deposits	(0.54)	(0.54)
	6.34	5.89
<b>Total</b>	<b>6.34</b>	<b>5.89</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 15.

## 9 OTHER NON-CURRENT ASSETS

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
Capital advances [Net of provision for Doubtful advances, ₹ 0.36 crores (P.Y. ₹ 0.36 crores)]	21.35	7.07
Balance with government authorities (including refund receivable)	113.25	104.62
Advance income tax (net of provision)	6.75	6.47
<b>Total</b>	<b>141.35</b>	<b>118.16</b>

## 10 INVENTORIES

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Raw Materials</b>		
In hand	298.69	250.66
In transit	8.50	7.87
	<b>307.19</b>	<b>258.53</b>
<b>Packing Materials</b>		
In hand	29.83	32.72
In transit	0.25	0.18
	<b>30.08</b>	<b>32.90</b>
<b>Work-in-Progress</b>	<b>116.63</b>	<b>102.72</b>
<b>Finished Goods</b>		
In hand		
Own	94.97	89.19
Traded	0.01	0.01
	<b>94.98</b>	<b>89.20</b>
In transit		
Own	15.06	1.42
Traded	-	-
	<b>15.06</b>	<b>1.42</b>
<b>Stores and Spares</b>	<b>20.12</b>	<b>15.76</b>
<b>Total</b>	<b>584.06</b>	<b>500.53</b>

- 10.1 During the year ended 31st March 2025 ₹ 0.44 crores (P.Y. ₹ 3.70 crores) 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 crores)

Particulars	No. of Units		Amount	
	As at 31st March 2025	As at 31st March 2024	As at 31st March 2025	As at 31st March 2024
<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	-	1.34
<b>Total of Investments measured at FVTPL</b>			-	<b>1.34</b>
<b>Total</b>			-	<b>1.34</b>
Aggregate carrying value of unquoted investments			-	-
Aggregate amount of impairment in value of investments			-	-
Aggregate carrying value of quoted investments			-	1.34
Aggregate market value of quoted investments			-	1.34

\* Investments in mutual funds were pledged with Citibank N.A.

## 12 TRADE RECEIVABLES

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
Unsecured		
Considered good	748.14	558.41
Considered Doubtful	4.81	3.43
Less: Allowance for Doubtful debts	(4.81)	(3.43)
<b>Total</b>	<b>748.14</b>	<b>558.41</b>

12.1 Unsecured trade receivables includes ₹ 571.63 crores (P.Y. ₹ 431.69 crores) receivable from subsidiaries and Holding Company.

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

(₹ in crores)

Particulars	2024-2025	2023-2024
Opening balance	3.43	2.95
Add: Allowance for doubtful receivables made during the year	1.38	0.48
<b>Closing balance</b>	<b>4.81</b>	<b>3.43</b>

12.3 Trade receivables ageing schedule - Current :

As at 31st March 2025

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		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	578.45	142.19	23.77	6.32	0.38	0.81	751.92
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	0.37	0.37
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	0.66	0.66
<b>Sub total</b>	<b>578.45</b>	<b>142.19</b>	<b>23.77</b>	<b>6.32</b>	<b>0.38</b>	<b>1.84</b>	<b>752.95</b>
Less: Allowance for Doubtful debts							(4.81)
<b>Total</b>							<b>748.14</b>

As at 31st March 2024

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		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	469.93	80.35	8.25	1.48	0.07	0.46	560.54
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	0.43	0.21	0.64
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	0.66	0.66
<b>Sub total</b>	<b>469.93</b>	<b>80.35</b>	<b>8.25</b>	<b>1.48</b>	<b>0.50</b>	<b>1.33</b>	<b>561.84</b>
Less: Allowance for Doubtful debts							(3.43)
<b>Total</b>							<b>558.41</b>

### 13 CASH AND BANK BALANCES

(₹ in crores)

Particulars	No. of Units		Amount	
	As at 31st March 2025	As at 31st March 2024	As at 31st March 2025	As at 31st March 2024
<b>(a) Cash &amp; cash equivalents</b>				
(i) Balances with banks				
In Current Accounts			1.07	0.84
In Fixed Deposits having current maturity less than 3 months			0.79	-
(ii) Cash on hand			0.06	0.04
(iii) Investments in Mutual Fund (At FVTPL)				
<b>Quoted</b>				
Aditya Birla Sun Life Debt Index Fund - Dir - Growth	96,16,413.51	-	9.84	-
ABSL Money Manager Fund - Dir - Growth	3,44,612.70	-	12.67	-
Aditya Birla Liquid - Regular Plan - Growth	-	3,55,243.66	-	13.70
Bandhan Money Manager Fund - Dir - Growth	13,95,592.18	-	5.97	-
Kotak Debt Index Fund - Dir - Growth	79,77,025.04	-	8.03	-
Kotak Liquid Fund - Regular Plan - Growth	9,839.67	85,307.36	5.11	41.29
Kotak Money Market Scheme - Dir - Growth	38,337.42	1,02,736.85	17.04	42.35
Nippon India Liquid Fund - Reg - Growth	-	26,130.30	-	15.27
Nippon India Money Market Fund - Dir - Growth	-	31,809.89	-	12.16
			<b>60.58</b>	<b>125.65</b>
<b>(b) Other bank balances (Restricted bank balances)</b>				
In Unpaid Dividend Account			0.94	1.29
In Fixed Deposits (against Bank Guarantee) having original maturity more than 3 months			27.11	2.12
			<b>28.05</b>	<b>3.41</b>
<b>Total</b>			<b>88.63</b>	<b>129.06</b>
Aggregate carrying value of quoted investments			58.66	124.77
Aggregate market value of quoted investments			58.66	124.77

### 14 LOAN (CURRENT)

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Unsecured, considered good</b>		
Loans to Employees	0.06	0.04
Loan to Subsidiary (refer note no. 7.1)	8.55	-
<b>Total</b>	<b>8.61</b>	<b>0.04</b>

### 15 OTHER FINANCIAL ASSETS (CURRENT)

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
Accrued Interest on fixed deposit	1.39	0.23
[Net of provision for Impairment loss ₹ 1.39 crores (P.Y. ₹ 1.39 crores)]		
Others (Forward contract receivable)	3.44	-
<b>Total</b>	<b>4.83</b>	<b>0.23</b>

### 16 OTHER CURRENT ASSETS

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Unsecured, considered good</b>		
Prepaid Expenses	15.39	15.26
Balances with Revenue Authorities (including refund receivables) (refer note 16.2)		
- Considered good	94.79	158.54
- Considered Doubtful	0.06	0.06
Less: Allowance for Doubtful Advances	(0.06)	(0.06)
Advance against materials & expenses	3.91	7.07
Export incentive receivable	15.76	8.44
Other receivables / advances		
- Considered good	2.22	5.02
- Considered Doubtful	1.55	1.51
Less: Allowance for Doubtful Advances	(1.55)	(1.51)
<b>Total</b>	<b>132.07</b>	<b>194.33</b>

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

Particulars	2024-2025	2023-2024
Opening balance (refer note 8, 9, 15 and 16)	13.80	13.84
Add / (less): Allowance for doubtful advances made during the year	0.03	(0.04)
<b>Closing balance</b>	<b>13.83</b>	<b>13.80</b>

16.2 In the current year, GST liabilities and assets have been offset against each other. Accordingly, the figures for the previous year have been regrouped to align with the current year's presentation.

## 17 EQUITY SHARE CAPITAL

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>AUTHORISED</b>		
17,50,00,000 Equity Shares of ₹ 2/- each (P.Y. 17,50,00,000 Equity shares of ₹ 2/- each )	35.00	35.00
5,00,00,000 Unclassified Shares of ₹ 2/- each (P.Y. 5,00,00,000 Unclassified Shares of ₹ 2/- each)	10.00	10.00
50,00,000 Preference Shares of ₹ 10/- each (P.Y. 50,00,000 Preference Shares of ₹ 10/- each)	5.00	5.00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
7,04,05,750 Equity Shares of ₹ 2/- each fully paid up (P.Y. 7,04,05,750 Equity Shares of ₹ 2/- each fully paid up)	14.08	14.08
<b>Total</b>	<b>14.08</b>	<b>14.08</b>

### 17.1 Reconciliation of Number of Shares (Equity)

Particulars	2024-2025		2023-2024	
	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)
Shares outstanding as at the beginning of the year	7,04,05,750	14.08	7,04,05,750	14.08
Add / (Less): Movements during the year	-	-	-	-
<b>Shares outstanding as at the end of the year</b>	<b>7,04,05,750</b>	<b>14.08</b>	<b>7,04,05,750</b>	<b>14.08</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 2025		As at 31st March 2024	
	No. of Shares	% held	No. of Shares	% held
Ipca Laboratories Limited	3,70,81,011	52.67%	3,70,81,011	52.67%
Dr. Prakash Amrut Mody	89,97,952	12.78%	89,97,952	12.78%
HDFC Small Cap Fund	54,73,134	7.77%	54,73,134	7.77%

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:

Sr No.	Promoter's Name	No. of Shares as on 31st March 2025	% of total shares as on 31st March 2025	No. of Shares as on 31st March 2024	% of total shares as on 31st March 2024
1	Ipca Laboratories Limited	3,70,81,011	52.67%	3,70,81,011	52.67%
2	Prakash Amrut Mody	89,97,952	12.78%	89,97,952	12.78%
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 - Suparna Mody Trust (Promoter Trust)	52,016	0.07%	52,016	0.07%
7	Prakash Amrut Mody - Supriya Mody Trust (Promoter Trust)	45,052	0.06%	45,052	0.06%
8	Prakash Amrut Mody - 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>4,94,40,586</b>	<b>70.22%</b>

## 18 OTHER EQUITY

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>CAPITAL REDEMPTION RESERVE</b>		
Balance at the beginning of the year	4.12	4.12
Add: Additions / (deductions) during the year	-	-
<b>Balance at the end of the year</b>	<b>4.12</b>	<b>4.12</b>
<b>CAPITAL RESERVE</b>		
Balance at the beginning of the year	-	-
Add: Additions / (deductions) during the year	(17.59)	-
<b>Balance at the end of the year</b>	<b>(17.59)</b>	<b>-</b>
<b>FAIR VALUE ADJUSTMENT RESERVE</b>		
Balance at the beginning of the year	-	-
Add: Additions / (deductions) during the year	17.59	-
Less: Transferred to Retained earnings	(2.89)	-
<b>Balance at the end of the year</b>	<b>14.70</b>	<b>-</b>
<b>SECURITIES PREMIUM</b>		
Balance at the beginning of the year	1.33	1.33
Add: Additions / (deductions) during the year	-	-
<b>Balance at the end of the year</b>	<b>1.33</b>	<b>1.33</b>
<b>EMPLOYEE STOCK OPTIONS OUTSTANDING ACCOUNT</b>		
Balance at the beginning of the year	3.06	12.05
Add: Additions during the year	-	-
Less: Transferred to Retained Earnings (refer note 18.1)	-	(12.05)
	3.06	-
Add: Deferred Employees' stock compensation (refer note 49)	2.06	3.06
<b>Balance at the end of the year</b>	<b>5.12</b>	<b>3.06</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Remeasurements of defined benefit plans</b>		
Balance at the beginning of the year	(6.89)	(6.61)
Add / (Less): Movements during the year	1.23	(0.28)
<b>Balance at the end of the year</b>	<b>(5.66)</b>	<b>(6.89)</b>
<b>GAIN/ (LOSS) ON CASH FLOW HEDGE</b>		
Balance at the beginning of the year	(0.25)	-
Add / (Less): Movements during the year	(1.13)	(0.25)
<b>Balance at the end of the year</b>	<b>(1.38)</b>	<b>(0.25)</b>
<b>RETAINED EARNINGS</b>		
Balance at the beginning of the year	2,279.18	2,359.31
Add: Profit / (Loss) for the year	162.96	(92.18)
Add: Transferred from shares options outstanding Account	-	12.05
Add: Transferred from Fair value adjustment reserve	2.89	-
<b>Balance at the end of the year</b>	<b>2,445.03</b>	<b>2,279.18</b>
<b>Total Reserves &amp; Surplus</b>	<b>2,445.67</b>	<b>2,280.55</b>

18.1 In FY 2023-2024, outstanding ESOPs had been surrendered by the employees to the Holding Company and its subsidiaries. Accordingly, balance in ESOP reserve was transferred to the retained earnings on the date of surrender.

## 19 BORROWINGS (NON CURRENT)

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>SECURED</b>		
Rupee Term Loan - Kotak Mahindra Bank	12.73	38.22
Foreign Currency Term Loan - CITI Bank Singapore	48.08	-
<b>Total</b>	<b>60.81</b>	<b>38.22</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 commenced from December 2021. Refer note 39 for securities pledged against the loan.

19.2 During the year ended 31st March 2024, the Company had 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 ₹ 1.13 crores (P.Y. ₹ 0.25 crores). Also refer note 44.

19.3 The Company has obtained [ECB] Foreign Currency Term Loan at a floating rate linked to SOFR which is repayable in 16 quarterly instalments commencing from January 2026. Refer note 39 for securities pledged against the loan.

## 20 LEASE LIABILITIES

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
Current lease liabilities	0.90	0.18
Non-current lease liabilities	10.75	6.24
<b>Total</b>	<b>11.65</b>	<b>6.42</b>

Refer note 47

## 21 PROVISIONS (NON-CURRENT)

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Provision for employee benefits</b> (refer note 45)		
Defined benefit plan - Gratuity	11.51	8.62
Leave benefits	26.35	27.18
<b>Total</b>	<b>37.86</b>	<b>35.80</b>

## 22 DEFERRED TAX LIABILITIES (NET)

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
Deferred tax liability (net)	19.87	-
<b>Total</b>	<b>19.87</b>	<b>-</b>

- 22.1 (a) March 2025 - Deferred tax liability exceeds the deferred tax assets (including assets in respect of brought forward losses and depreciation).  
(b) March 2024 - 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 ₹ 341.52 crores for which deferred tax asset is not recognised.

### 22.2 Income tax expense / (benefit) recognized in standalone statement of profit and loss:

(₹ in crores)

Particulars	2024-2025	2023-2024
<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	25.83	(16.85)
(Decrease) / Increase in Deferred Tax Liabilities	(5.96)	16.85
Total Deferred tax expense / (credit)	19.87	-
<b>Aggregate Income Tax Expense</b>	<b>19.87</b>	<b>-</b>

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

(₹ in crores)

Particulars	2024-2025	2023-2024
Deferred tax liability on fair value gain on equity instruments (net)	-	-
Deferred tax asset on net loss / (gain) on Remeasurements of Defined Benefit Plans	0.15	-
<b>Income Tax Expense / (Income) Charged to OCI</b>	<b>0.15</b>	<b>-</b>

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

(₹ in crores)

Particulars	2024-2025	2023-2024
Profit / (loss) before income taxes	182.68	(92.18)
<b>Profit / (loss) before income taxes</b>	<b>182.68</b>	<b>(92.18)</b>
At India's Statutory Income Tax Rate of 25.168% (P.Y. 25.168%)	45.98	(23.20)
<b>Adjustments to reconcile expected income tax expense to reported income tax expense</b>		
Effect of expenses not deductible in determining taxable profit	-	31.62
Deferred tax asset recognised on remaining amount of b/f tax loss	-	(8.42)
Deferred tax asset not recognised on remaining amount of losses	(26.26)	-
<b>Adjusted income tax expense / (credit)</b>	<b>19.72</b>	<b>-</b>
<b>Tax charge / (credit) impact given in Other Comprehensive Income</b>	<b>0.15</b>	<b>-</b>
<b>Total Tax</b>	<b>19.87</b>	<b>-</b>
<b>Effective Income Tax Rate</b>	<b>10.88%</b>	<b>0.00%</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## 22.5 Reflected in the Balance Sheet as follows:

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Deferred Tax Liabilities</b>		
Depreciation and amortisation	82.07	88.08
Fair value gain on mutual funds (net)	-	0.22
Others	0.27	-
	<b>82.34</b>	<b>88.30</b>
<b>Deferred Tax Assets</b>		
Allowance for doubtful trade receivables	1.21	0.86
Allowance for doubtful advances	1.98	0.40
Allowance for impairment in value of investments	2.22	14.74
Allowance for impairment in value of other financial assets	-	2.52
Provision for employee benefits	14.24	11.27
Allowance for impairment in value of investments in Associate	-	1.18
Business loss / unabsorbed depreciation/long term capital loss	40.63	56.46
Others	2.19	0.87
	<b>62.47</b>	<b>88.30</b>
<b>Deferred Tax Liabilities (net)</b>	<b>19.87</b>	-

## 22.6 Movement of deferred tax during the year 2024-2025:

(₹ in crores)

Particulars	Opening balance 1st April 2024	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March 2025
<b>Deferred tax liabilities in relation to</b>				
Depreciation and amortisation	88.08	(6.01)	-	82.07
Fair value gain on mutual funds (net)	0.22	(0.22)	-	-
Others	-	0.27	-	0.27
<b>Deferred tax assets in relation to</b>				
Allowance for doubtful trade receivables	(0.86)	(0.35)	-	(1.21)
Allowance for doubtful advances	(0.40)	(1.58)	-	(1.98)
Allowance for impairment in value of investments	(14.74)	12.52	-	(2.22)
Allowance for impairment in value of other financial assets	(2.52)	2.52	-	-
Provision for employee benefits	(11.27)	(3.12)	0.15	(14.24)
Allowance for impairment in value of investments in Associate	(1.18)	1.18	-	-
Business loss / unabsorbed depreciation	(56.46)	15.83	-	(40.63)
Others	(0.87)	(1.32)	-	(2.19)
<b>Deferred Tax Liabilities (net)</b>	-	<b>19.72</b>	<b>0.15</b>	<b>19.87</b>

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

(₹ in crores)

Particulars	Opening balance 1st April 2023	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March 2024
<b>Deferred tax liabilities in relation to</b>				
Depreciation and amortisation	70.18	17.90	-	88.08
Fair value gain on mutual funds (net)	1.27	(1.05)	-	0.22
Fair value gain on equity instruments (net)	-	-	-	-
<b>Deferred tax assets in relation to</b>				
Allowance for doubtful trade receivables	(0.74)	(0.12)	-	(0.86)
Allowance for doubtful advances	(0.38)	(0.02)	-	(0.40)
Allowance for impairment in value of investments	(14.74)	-	-	(14.74)
Allowance for impairment in value of other financial assets	(2.52)	-	-	(2.52)
Provision for employee benefits	(12.83)	1.56	-	(11.27)
Allowance for impairment in value of investments in Associate	(1.18)	-	-	(1.18)
Business loss / unabsorbed depreciation	(38.04)	(18.42)	-	(56.46)
Others	(1.02)	0.15	-	(0.87)
<b>Deferred Tax Liabilities (net)</b>	-	-	-	-

## 23 OTHER NON-CURRENT LIABILITIES

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Unsecured</b>		
Others (Customer Advances)	0.64	0.87
<b>Total</b>	<b>0.64</b>	<b>0.87</b>

## 24 BORROWINGS (CURRENT)

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Secured</b>		
<b>From Banks</b>		
Packing credit (refer note 38(b))	21.37	-
Rupee Term Loan - Kotak Mahindra Bank (current maturity of long-term borrowings) (refer note 39)	25.66	25.66
Foreign Currency Term Loan - CITI Bank Singapore (current maturity of long term borrow) (refer note 39)	3.21	-
<b>Total</b>	<b>50.24</b>	<b>25.66</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 crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 25.1)	7.67	3.49
Total outstanding dues of creditors other than micro enterprises and small enterprises	253.98	246.00
<b>Total</b>	<b>261.65</b>	<b>249.49</b>

25.1

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
Principal amount remaining unpaid to any suppliers as at 31st March (refer note 25)	7.07	2.96
Interest due thereon remaining unpaid to any suppliers as at 31st March (refer note 25)	0.60	0.53
	<b>7.67</b>	<b>3.49</b>
Principal amount remaining unpaid to any suppliers for capital goods as at 31st March (refer note 26)	0.60	-
Interest due thereon remaining unpaid to any suppliers for capital good as at 31st March (refer note 26)	0.03	-
	<b>0.63</b>	<b>-</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	14.33	9.79
The amount of interest due and payable for the period of delay in making payments	0.10	0.06
The amount of interest accrued and remaining unpaid as at 31st March	0.63	0.53
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 2025

(₹ in crores)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.61	6.77	0.29	-	-	-	7.67
(ii) Others	21.06	186.34	45.54	0.73	0.05	0.26	253.98
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>21.67</b>	<b>193.11</b>	<b>45.83</b>	<b>0.73</b>	<b>0.05</b>	<b>0.26</b>	<b>261.65</b>

As at 31st March 2024

(₹ in crores)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.53	2.75	0.21	-	-	-	3.49
(ii) Others	18.81	166.42	60.19	0.33	0.11	0.14	246.00
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>19.34</b>	<b>169.17</b>	<b>60.40</b>	<b>0.33</b>	<b>0.11</b>	<b>0.14</b>	<b>249.49</b>

**26 OTHER FINANCIAL LIABILITIES (CURRENT)**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
Unclaimed Dividend	0.94	1.30
Deposits from Customers	0.22	0.22
Payable for employee benefits	16.07	17.41
Payable for Capital Goods (refer note 25.1)	30.23	3.76
Amount payable on hedging transaction (Refer note 19.2)	1.38	0.25
Others (Forward contract payable)	-	1.07
<b>Total</b>	<b>48.84</b>	<b>24.01</b>

**27 OTHER CURRENT LIABILITIES**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Other Payables</b>		
Statutory Dues (refer note 27.2 and 27.3)	17.09	21.14
Revenue received in advance (refer note 27.1)	0.97	7.69
Others (customer advances, etc.)	2.20	1.73
<b>Total</b>	<b>20.26</b>	<b>30.56</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 38(b).
- 27.2 It includes accumulated liability towards provident fund of ₹ 0.03 crores (P.Y. ₹ 0.03 crores) which will be paid off on linking of aadhar number of certain employees with the provident fund portal.
- 27.3 In the current year, GST liabilities and assets have been offset against each other. Accordingly, the figures for the previous year have been regrouped to align with the current year's presentation.

**28 PROVISIONS (CURRENT)**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Provision for employee benefits</b> (refer note 45)		
Defined benefit plan	4.76	4.68
Leave benefits	3.85	4.31
Long-term bonus	-	0.75
<b>Others Provisions</b>		
Claims (refer note 28.1)	0.49	0.49
Provision for European commission fine (refer note 37)	128.54	125.62
<b>Total</b>	<b>137.64</b>	<b>135.85</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 crores)

Particulars	2024-2025	2023-2024
<b>Opening balance</b>	<b>0.49</b>	<b>0.49</b>
Less: Utilisations *	-	-
<b>Closing balance</b>	<b>0.49</b>	<b>0.49</b>

\* Amount less than ₹ 0.5 lakhs in current year

**29 REVENUE FROM OPERATIONS**

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Sale of products (refer note 29.1)	1,688.80	1,392.62
<b>Other operating revenues</b>		
Export benefits	30.40	37.77
Other operating revenues (Raw material, solvent, scrap sale, R&D revenue, etc.)	16.50	11.77
	46.90	49.54
<b>Total Revenue from Operations</b>	<b>1,735.70</b>	<b>1,442.16</b>

## 29.1 Disclosure relating to disaggregation of revenue in terms of Ind AS-115

(₹ in crores)

Particulars	2024-2025			
	Branded Generics	Generics	APIs	Total
<b>A Domestic</b>	<b>2.58</b>	<b>-</b>	<b>38.16</b>	<b>40.74</b>
<b>B Exports</b>				
Americas	1.96	1,113.07	12.64	1,127.67
Europe	212.28	97.66	86.96	396.90
Africa	37.03	7.77	2.80	47.60
Asia (excluding India)	45.91	2.31	20.06	68.28
CIS	7.06	-	0.55	7.61
<b>Total B</b>	<b>304.24</b>	<b>1,220.81</b>	<b>123.01</b>	<b>1,648.06</b>
<b>Total (A+B)</b>	<b>306.82</b>	<b>1,220.81</b>	<b>161.17</b>	<b>1,688.80</b>

## Disclosure relating to disaggregation of revenue in terms of Ind AS-115

(₹ in crores)

Particulars	2023-2024			
	Branded Generics	Generics	APIs	Total
<b>A Domestic</b>	<b>0.89</b>	<b>-</b>	<b>40.08</b>	<b>40.97</b>
<b>B Exports</b>				
Americas	7.24	938.86	10.68	956.78
Europe	133.47	89.53	67.87	290.87
Africa	0.23	-	2.00	2.23
Asia (excluding India)	65.94	9.25	21.62	96.81
CIS	4.69	0.27	-	4.96
<b>Total B</b>	<b>211.57</b>	<b>1,037.91</b>	<b>102.17</b>	<b>1,351.65</b>
<b>Total (A+B)</b>	<b>212.46</b>	<b>1,037.91</b>	<b>142.25</b>	<b>1,392.62</b>

## 30 OTHER INCOME

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest income (refer note 30.1)	2.66	0.44
Dividend income on investments measured at Fair Value through Profit and Loss *	-	-
Net gain on investments measured at Fair Value through Profit and Loss	9.26	6.47
Profit on sale of property, plant and equipment (net)	0.95	1.67
Other non-operating income [guarantee commission, notice pay, lease rent, etc. (net)]	0.77	0.58
Net gain / (loss) on foreign currency translation and transactions	27.19	21.23
<b>Total</b>	<b>40.83</b>	<b>30.39</b>

\* Amount less than ₹ 0.5 lakhs

## 30.1 Details of interest income

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest income on financial assets measured at amortised cost / others	2.66	0.44

## 31 COST OF MATERIALS CONSUMED

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Raw Materials	717.82	617.92
Packing Materials	111.95	99.00
<b>Total</b>	<b>829.77</b>	<b>716.92</b>

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

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
<b>Inventories at the Commencement</b>		
Finished Goods	90.62	85.61
Work-in-progress	102.72	81.38
	<b>193.34</b>	<b>166.99</b>
<b>Inventories at year end</b>		
Finished Goods	110.04	90.62
Work-in-progress	116.63	102.72
	<b>226.67</b>	<b>193.34</b>
(Increase) / Decrease in finished goods	(19.42)	(5.01)
(Increase) / Decrease in work-in-progress	(13.91)	(21.34)
<b>Total change in inventory</b>	<b>(33.33)</b>	<b>(26.35)</b>

### 32 EMPLOYEE BENEFITS EXPENSE

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Salaries and wages	258.72	254.85
Contribution to Provident and other funds	20.07	20.03
Staff welfare expenses	8.72	8.27
<b>Total</b>	<b>287.51</b>	<b>283.15</b>

#### 32.1 Aggregate employee benefits expense

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Employee benefits expense (refer note 32)	287.51	283.15
Employee benefits expense (refer note 42)	0.33	-
<b>Total</b>	<b>287.84</b>	<b>283.15</b>

### 33 FINANCE COST

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest cost on financial liabilities measured at amortised cost	5.63	8.05
Interest on lease	1.05	0.53
Interest others	0.61	1.34
Other borrowing costs (bank charges / fees, etc.)	0.33	0.50
<b>Total</b>	<b>7.62</b>	<b>10.42</b>

#### 33.1 Aggregate Finance Cost

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Finance cost (refer note 33)	7.62	10.42
Finance cost (refer note 42)	0.89	-
<b>Total</b>	<b>8.51</b>	<b>10.42</b>

### 34 OTHER EXPENSES

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Consumption of Stores and Spares	23.47	20.29
Power and Fuel	106.63	105.64
Rent	1.08	0.27
Insurance	4.84	6.71
Repairs:		
- Plant and Machinery	15.64	13.83
- Buildings	3.15	2.54
- Others	35.84	37.96
Rates and Taxes	3.44	3.50
Advertising and sales promotion	0.19	0.55
Travelling and Conveyance	2.33	1.94
Freight outward (net)	71.72	90.38
Directors' sitting fees	0.62	0.54
Commission on sales	2.01	2.86
Legal & Professional Expenses	12.02	14.40
Audit Fees	0.97	1.17
Establishment and Administrative Expenses (refer note 34.1)	113.07	114.05
<b>Total</b>	<b>397.02</b>	<b>416.63</b>

#### 34.1 Establishment and Administrative Expenses includes following major expenses:

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Research and development expenditure (mainly material cost)	18.51	25.12
Bio equivalence studies	5.43	6.08
Lab related expenses (glass apparatus, chemicals, accessories, etc.)	24.46	18.12
Regulatory fees	21.48	22.78

### 34.2 Exceptional Items - expenses

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Provision for European commission fine (refer note 37)	-	125.62
Impairment of investment in subsidiary "Unichem Laboratories Limited, Ireland" (refer note 6.2)	(4.00)	-
Net (gain) / loss on disposal of investment (refer note 34.2.1)	-	(64.79)
Net (gain) / loss on disposal of Property, Plant and Equipment	-	(3.22)
<b>Total</b>	<b>(4.00)</b>	<b>57.61</b>

34.2.1 The Company had sold equity shares held in Optimus Drugs Private Limited to Sekhmet Pharamaventures Private Limited as per the terms of Share Purchase Agreement, leading to a net profit of ₹ 64.79 crores.

### 35 OTHER COMPREHENSIVE INCOME

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
A (i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	1.38	(0.28)
(ii) Income tax relating to items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(0.15)	-
B (i) Items that will be reclassified to profit or loss		
Gain/ (Loss) on cash flow hedge	(1.13)	(0.25)
(ii) Income tax relating to items that will be reclassified to profit or loss		
Gain/ (Loss) on cash flow hedge	-	-
<b>Total</b>	<b>0.10</b>	<b>(0.53)</b>

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

#### A. Matters considered as contingent liability

(₹ in crores)

Particulars	2024-2025	2023-2024
(i) Claims not acknowledged as debts (refer note 36.1)	105.79	20.28
(ii) Fine imposed by European Commission (refer note 37)	-	-
(iii) In respect of the Guarantees given to bank on behalf of subsidiaries (In P.Y., to the extent of facility availed by the subsidiaries) (also refer note 39)	30.39	27.00
(iv) Other money for which the Company is contingently liable	3.96	4.74
(v) Other bank guarantees (refer note 36.2)	7.31	6.91
<b>Total</b>	<b>147.45</b>	<b>58.93</b>

36.1 It mainly comprises of disputed tax matters towards GST and income tax. Further it includes ₹ 0.47 crores (P.Y. ₹ 0.84 crores) towards income tax / sales tax refund amount kept on hold, GST 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.

36.2 Bank Guarantees aggregating to ₹ 5.63 crores (P.Y. ₹ 2.21 crores) are fully secured against Fixed Deposits with Bank of India. 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. In respect of bank guarantee and letter of credit, the Company does not expect any cash outflow.

#### 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.

**37** 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. On 27th June 2024, the 'Court of Justice of the EU' have upheld the fine of Euro 13.96 million imposed by the 'General Court of the EU' on the Company and Niche and demand order is awaited.

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 had made full provision towards EU fine which is disclosed under exceptional item. Outstanding provision based on the exchange rate as on 31st March 2025 is ₹ 128.54 crores [P.Y. ₹ 125.62 crores].

- 38** (a) Estimated amount of Contracts remaining to be executed (net of advances) on Capital account of ₹ 33.24 crores (P.Y. ₹ 46.28 crores) and on other purchase orders of ₹ 119.47 crores (P.Y. ₹ 167.69 crores) 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 31st March 2025 aggregate to ₹ 408.75 crores (P.Y. ₹ 266.90 crores).
- (c) The Company's intention is to continue to provide financial support to its subsidiaries [mainly Niche Generics Ltd and Unichem Farmaceutica Do Brasil Ltda].
- (d) Subsequent to the year ended 31st March 2025, the Company has passed resolution to subscribe to the non-cumulative redeemable preference shares upto GBP 2 million (equivalent ₹ 22.14 crore) to be issued by Niche Generics Ltd, a wholly owned subsidiary.
- (e) Subsequent to the year end 31st March 2025, the Company has passed resolution to provide corporate guarantee to bank of USD 50 million (equivalent ₹ 427.35 crore) on behalf of Unichem USA Inc., a wholly owned subsidiary for banking facilities availed by them.
- 39** 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., were secured by way of first and exclusive charge on pledge against investments in mutual funds till July 2024.

During the year, charges were satisfied with Bank of India on stock and book debts.

Further, credit facilities availed by the Holding Company from Axis Bank and HDFC Bank are secured against hypothecation of stock and debtors.

ECB Term Loan availed by the Company from Citibank N.A., Singapore during the year is secured by first pari-passu charge by way of hypothecation on movable Plant and Machinery, machinery spares, tools and accessories, non-tradable receivables and other movables, both present and future, at Company's factories, premises and godown situated at Goa and Pithampur.

Additionally, all credit facilities have been registered with Registrar of Companies (ROC) within the prescribed due date.

- 40** As per Ind AS 108 'Operating Segment', segment information has been provided under the Notes to Consolidated Financial Statements.
- 41** 41.1 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 ₹ 70.87 crores (P.Y. ₹ 70.87 crores). 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.
- 41.2 In case of the subsidiaries (Niche Generics Ltd., Unichem China Pvt. Ltd. and Unichem Farmaceutica Do Brasil Ltda) the management of the Company is of the view that performance of these subsidiaries is improving and will turnaround and in case of China Subsidiary it is at nascent stage.

**42 Expenditure incurred during the year and included in Property, Plant and Equipments and Capital work-in-progress is as follows:**

(₹ in crores)

Particulars	2024-2025	2023-2024
i) Power and fuel *	0.35	-
ii) Payroll expenses	0.33	-
iii) Insurance	0.06	-
iv) Travelling Expenses	0.03	-
v) Rent, Rates and Taxes *	-	-
vi) R&D Chemicals	0.01	-
vii) Administrative expenses	0.02	-
viii) Interest	0.89	-
ix) Others	0.12	-
<b>Total</b>	<b>1.81</b>	<b>-</b>

\* Amount less than ₹ 0.5 lakhs in previous year

#### 43 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 crores)

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.)	-	-	-

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 ₹ 0.28 crores (P.Y. ₹ 0.91 crores) 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 current year, ₹ 0.63 crores (P.Y. ₹ 3.28 crores) is lapsed for carry forward.

#### 44 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 crores)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March 2025		Changes in amount of fair value	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign currency risk Trade Receivables hedged by Forward Contracts	238.34	241.78	-	3.44	August 2025 to March 2026	Other Financial Asset
Cash flow hedge	38.39	-	39.77	(1.38)	April 2025 to September 2026	Other Financial Liability

Hedging Instrument and Hedge Item:

(₹ in crores)

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 Trade Receivables hedged by Forward Contracts	508.94	507.86	-	(1.07)	April 2024 to September 2024	Other Financial Liability
Cash flow hedge	63.89	-	64.14	(0.25)	April 2024 to September 2026	Other Financial Liability

i) The following are the outstanding forward contracts:

Currency	Buy / Sell	In Foreign Currency (in crores)		(₹ in crores)	
		As at 31st March 2025	As at 31st March 2024	As at 31st March 2025	As at 31st March 2024
USD	Sell	2.70	6.09	241.78	507.86

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 crores)		(₹ in crores)	
	As at 31st March 2025	As at 31st March 2024	As at 31st March 2025	As at 31st March 2024
A) Trade Receivables and Vendor advances				
Euro	0.37	0.25	34.29	22.17
CHF *	-	-	0.11	-
USD	5.48	-	468.64	-
GBP	0.25	0.24	27.19	24.67
ZAR	1.61	0.93	7.23	3.93
CAD	0.01	0.02	0.75	1.52
B) Trade Payables and Customer advances				
Euro	0.04	0.03	3.56	2.80
CHF	-	-	-	-
USD	0.33	0.22	27.88	18.50
GBP *	-	-	0.43	0.23
ZAR	0.01	0.01	0.03	0.05
C) Borrowings				
USD (PCFC loan)	0.25	-	21.37	-
USD (ECB loan)	0.60	-	51.29	-
D) Loan to Subsidiary				
USD	0.50	-	42.74	-
E) Short term provision [EU fine]				
Euro	1.40	1.40	128.54	125.62

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

\* Amount less than 0.5 lakhs

#### 45 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 crores)

Particulars	As at 31st March 2025			As at 31st March 2024		
	Current Liability	Non-Current Liability	Net Liability	Current Liability	Non-Current Liability	Net Liability
Gratuity	4.76	11.51	16.27	4.68	8.62	13.30
Leave entitlements	3.85	26.35	30.20	4.31	27.18	31.49
Long term Bonus	-	-	-	0.75	-	0.75
<b>Net Liability</b>	<b>8.61</b>	<b>37.86</b>	<b>46.47</b>	<b>9.74</b>	<b>35.80</b>	<b>45.54</b>

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

Particulars	Gratuity	
	2024-2025	2023-2024
Discount rate	6.75%	7.20%
Salary growth rate	9.00%	9.00%
Expected rate of return on Plan assets	6.75%	7.20%
Withdrawal rate	15% p.a. at younger ages reducing to 2% p.a. at older ages	15% p.a. at younger ages reducing to 2% p.a. 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 crores)

Particulars	Gratuity	
	As at 31st March 2025	As at 31st March 2024
Present value of funded obligations	36.66	34.52
Fair value of plan assets	20.39	21.22
<b>Net Liability / (Asset)</b>	<b>16.27</b>	<b>13.30</b>

Amount charged to statement of Profit and loss:

(₹ in crores)

Particulars	Gratuity	
	2024-2025	2023-2024
Current service cost	4.68	4.43
Net interest cost	0.79	1.16
<b>Total charge to statement of P&amp;L (included in employee benefit expense)</b>	<b>5.47</b>	<b>5.59</b>

Amount charged to Other Comprehensive Income:

(₹ in crores)

Particulars	Gratuity	
	2024-2025	2023-2024
Components of actuarial (gain) / loss on obligations:		
Due to change in financial assumptions	1.29	0.54
Due to change in demographic assumption	-	-
Due to experience adjustments	(2.38)	0.33
Return on plan assets excluding amounts included in interest income	(0.29)	(0.59)
<b>Amounts recognized in Other Comprehensive Income</b>	<b>(1.38)</b>	<b>0.28</b>

Reconciliation of defined benefit obligation:

(₹ in crores)

Particulars	Gratuity	
	2024-2025	2023-2024
<b>Opening Defined Benefit Obligation</b>	<b>34.53</b>	<b>38.27</b>
Current service cost	4.68	4.43
Interest cost	2.37	2.41
Actuarial loss / (gain) due to change in financial assumptions	1.29	0.54
Due to change in demographic assumption	-	-
Actuarial loss / (gain) due to experience adjustments	(2.39)	0.33
Benefits paid	(3.81)	(11.45)
<b>Closing Defined Benefit Obligation</b>	<b>36.67</b>	<b>34.53</b>

Reconciliation of plan assets:

(₹ in crores)

Particulars	Gratuity	
	2024-2025	2023-2024
<b>Opening value of plan assets</b>	<b>21.22</b>	<b>20.34</b>
Interest income	1.58	1.24
Return on plan assets excluding above	0.28	0.59
Contributions by employer	1.12	10.50
Benefits paid	(3.81)	(11.45)
<b>Closing value of plan assets</b>	<b>20.39</b>	<b>21.22</b>

Sensitivity analysis:

Assumptions	Change in assumptions		Increase/(decrease) in defined benefit obligation	
	Increase/decrease	Percentage	2024-2025	2023-2024
Discount rate	Increase by	0.5%	-3.89%	-3.86%
	Decrease by	0.5%	4.17%	4.13%
Salary growth rate	Increase by	0.5%	4.06%	4.03%
	Decrease by	0.5%	-3.83%	-3.81%
Withdrawal rate	Increase by	10%	-0.94%	-0.81%
	Decrease by	10%	1.02%	0.88%

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	2024-2025	2023-2024
Expected contribution for the next year (₹ in crores)	4.76	4.68
Weighted average duration for defined benefit obligation (years)	7.69	7.76

## 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.

#### 46 RELATED PARTY DISCLOSURES

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

##### (a) List of related parties:

<b>(i) Subsidiaries of the Company (Wholly Owned):</b>  Niche Generics Limited. (United Kingdom) Unichem SA Pty. LTD. (South Africa) Unichem Farmaceutica Do Brasil Ltda (Brazil) Unichem Pharmaceuticals (USA) Inc. (USA) Unichem Laboratories Ltd. (Ireland) Unichem (China) Pvt. Ltd. (China)	<b>(ii) Enterprises under significant influence of key management personnel as defined in (iii): (disclosed to the extent of transactions)</b> Uni - Distributors Pvt. Ltd.(upto 10th August 2023) Adiwasi Unnati Mandal Uni Trust (upto 10th August 2023) Prakash Amrut Mody - Suparna Mody (Promoter Trust) Prakash Amrut Mody - Supriya Mody (Promoter Trust) Prakash Amrut Mody - Shwetambari Mody (Promoter Trust) Resonance Specialties Limited
<b>(iii) Key management personnel and their relatives: (disclosed to the extent of transactions)</b> Dr. Prakash A. Mody (Chairman) * Mrs. Anita Mody (Spouse of Chairman) Ms. Supriya Mody (Daughter of Chairman) (upto 15th May 2023) Ms. Suparna Mody (Daughter of Chairman) Mr. Dilip J. Kunkolienkar (Director - Technical) (upto 10th August 2023) Mr. Pabitrakumar Bhattacharyya (Managing Director) (w.e.f. 10th August 2023) * Dr. Prakash A. Mody was both Chairman & Managing Director upto 10th August 2023.	<b>(iv) Independent Directors:</b>  Ms. Priti Puri Mr. Anand Y. Mahajan (upto 31st March 2024) Mr. Prafull Anubhai (upto 31st March 2024) Mr. Prafull D. Sheth (upto 31st March 2024) Mr. Arun Tadarwal (w.e.f. 5th February 2024) Mr. Anand Kusre (w.e.f. 5th February 2024)
<b>(v) Post-employment benefit plans:</b>  Unichem Laboratories Ltd.-Employees Gratuity Fund Unichem Laboratories Ltd.-Employees Superannuation Fund	<b>(vi) Key management personnel and their relatives as per Companies Act, 2013:</b> Dr. Prakash A. Mody (Chairman & Managing Director) (upto 10th August 2023) Mr. Pradeep Bhandari - (Head - Legal & Company Secretary) Mr. Sandip Ghume (Dy. Chief Financial Officer)(upto 30th June 2024) Mr. Sanjay Jain (Chief Financial Officer)(w.e.f. 8th August 2024) Mr. Pabitrakumar Bhattacharyya (Managing Director) (w.e.f. 10th August 2023)
<b>(vii) Enterprises exercising control:</b> Ipca Laboratories Ltd. (w.e.f. 10th August 2023)	<b>(viii) Non-Executive Directors:</b> Dr. Prakash A. Mody (w.e.f. 10th August 2023)
<b>(ix) Sister Concern (disclosed to the extent of transactions)</b> Bayshore Pharmaceutical LLC.	

##### b) Disclosure of related party transactions (excluding indirect taxes):

(₹ in crores)

Particulars	2024-2025	2023-2024
i) Sale of finished goods / scraps / solvents (Net of returns)		
Subsidiaries		
Niche Generics Limited.	20.11	33.83
Unichem SA Pty. Ltd.	11.88	9.17
Unichem Farmaceutica Do Brasil Ltda	50.29	69.50
Unichem Pharmaceuticals (USA) Inc.	1,032.67	829.03
Unichem Laboratories Ltd (Ireland)	0.88	0.90
Holding		
Ipca Laboratories Ltd	0.66	1.41
	<b>1,116.49</b>	<b>943.84</b>
ii) Sale of Materials		
Ipca Laboratories Ltd	0.11	0.30
	<b>0.11</b>	<b>0.30</b>
iii) Sale of Capital Items		
Ipca Laboratories Ltd	4.80	-
	<b>4.80</b>	<b>-</b>
iv) Purchase of Materials		
Ipca Laboratories Ltd	11.61	2.33
	<b>11.61</b>	<b>2.33</b>
v) Purchase of Capital Items		
Ipca Laboratories Ltd	0.60	0.16
Resonance Specialties Limited	0.14	-
Bayshore Pharmaceuticals, LLC	22.38	-
	<b>23.12</b>	<b>0.16</b>
vi) Reimbursements from subsidiaries		
Unichem Pharmaceuticals (USA) Inc.	13.96	-
Unichem SA Pty. Ltd.	0.70	0.42
Holding		
Ipca Laboratories Ltd *	-	-
	<b>14.66</b>	<b>0.42</b>

Particulars	2024-2025	2023-2024
vii) Investments made (includes ESOP)		
Subsidiary		
Unichem Pharmaceuticals (USA) Inc.	2.05	3.06
Unichem (China) Pvt Ltd	0.84	0.83
	<b>2.89</b>	<b>3.89</b>
viii) Guarantee commission income		
Niche Generics Limited	0.27	0.27
	<b>0.27</b>	<b>0.27</b>
ix) Commission Expense		
Unichem Farmaceutica Do Brasil Ltda	0.43	1.55
	<b>0.43</b>	<b>1.55</b>
x) Guarantees to banks - given including renewal / (reduced)		
On behalf of Subsidiary Company		
Niche Generics Limited	-	6.75
Niche Generics Limited	-	(6.75)
	-	-
xi) Rent & Maintenance paid		
Relative of Key Management Personnel		
Mrs. Anita Mody	-	0.08
Enterprise under significant influence of Key Management Personnel		
Uni - Distributors Pvt. Ltd.	-	0.07
Uni Trust	-	0.05
Enterprises exercising control:		
Ipca Laboratories Ltd	0.97	-
	<b>0.97</b>	<b>0.20</b>
xii) Repayment of deposits from		
Relative of Key Management Personnel		
Mrs Anita Mody	-	0.46
Enterprise under significant influence of Key Management Personnel		
Uni - Distributors Pvt. Ltd.	-	0.05
Uni Trust	-	0.02
	-	<b>0.53</b>
xiii) Managerial remuneration (including defined contribution plan)		
Key Management Personnel		
Dr. Prakash A. Mody	-	11.76
Mr. Dilip J. Kunkolienkar	-	2.88
Mr. Pabitrakumar Bhattacharyya	3.07	1.88
	<b>3.07</b>	<b>16.52</b>
xiv) Salary (including defined contribution plan)		
Relative of Key Management Personnel		
Ms. Supriya Mody	-	0.66
	-	<b>0.66</b>
xv) Expenses Reimbursement (Establishment and administrative expenses)		
Subsidiaries		
Niche Generics Limited	0.08	-
Unichem SA Pty. Ltd.	0.27	0.25
Unichem Farmaceutica Do Brasil Ltda	0.16	0.06
Unichem Pharmaceuticals (USA) Inc.	1.38	1.81
Holding		
Ipca Laboratories Ltd.	10.91	9.81
Independent Directors		
Mr. Prafull Anubhai *	-	-
Mr. Prafull D. Sheth *	-	-
	<b>12.80</b>	<b>11.93</b>
xvi) Sitting Fees		
Directors		
Dr. Prakash A. Mody	0.06	0.01
Mr. Pranay Godha	0.09	0.03
Mr. Anand Kurse	0.17	0.01
Mr. Arun Tadarwal	0.17	0.01
Ms. Priti Puri	0.14	0.09
Mr. Anand Y. Mahajan	-	0.13
Mr. Prafull Anubhai	-	0.14
Mr. Prafull D. Sheth	-	0.12
	<b>0.63</b>	<b>0.54</b>
xvii) Sale of Assets		
Key Management Personnel & Relatives		
Dr. Prakash A. Mody	-	1.02
Ms Supriya Mody	-	0.08
Mr. Dilip J. Kunkolienkar	-	0.12
Uni - Distributors Pvt. Ltd.	-	4.38
	-	<b>5.60</b>
xviii) Loan to Subsidiary		
Unichem Pharmaceuticals (USA) Inc.	42.87	-
	<b>42.87</b>	-
xix) Interest Income on Loan to Subsidiary		
Unichem Pharmaceuticals (USA) Inc.	0.60	-
	<b>0.60</b>	-

\* Amount less than ₹ 0.5 lakhs

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

(₹ in crores)

Particulars	2024-2025	2023-2024
i) Trade Receivables		
Subsidiaries		
Niche Generics Limited.	37.43	38.64
Unichem SA Pty. Ltd.	6.22	3.77
Unichem Farmaceutica Do Brasil Ltda	54.29	54.47
Unichem Pharmaceuticals (USA) Inc.	472.73	332.69
Unichem Laboratories Ltd (Ireland)	0.10	0.36
Holding		
Ipca Laboratories Ltd.	0.86	1.76
	<b>571.63</b>	<b>431.69</b>
ii) Trade Payables		
Subsidiaries		
Niche Generics Limited.	-	0.02
Unichem SA Pty. Ltd.	0.03	0.05
Unichem Farmaceutica Do Brasil Ltda	0.09	0.03
Unichem Pharmaceuticals (USA) Inc.	0.92	0.44
Holding		
Ipca Laboratories Ltd.	2.17	1.67
	<b>3.21</b>	<b>2.21</b>
iii) Commission Payable		
Unichem Farmaceutica Do Brasil Ltda	0.50	0.86
	<b>0.50</b>	<b>0.86</b>
iv) Investments in subsidiaries		
In equity shares		
Niche Generics Limited *	69.09	69.09
Unichem SA Pty. Ltd.	0.12	0.12
Unichem Farmaceutica Do Brasil Ltda *	70.87	70.87
Unichem Pharmaceuticals (USA) Inc	37.44	35.38
Unichem Laboratories Ltd (Ireland) (refer note 6.2)	21.05	21.05
Unichem (China) Pvt Ltd (China) (refer note 41.2)	8.04	7.21
* fully provided as impairment in value of investment		
	<b>206.61</b>	<b>203.72</b>
v) Guarantees given (in P.Y., to the extent of facility availed by the subsidiaries) to Banks on behalf of Subsidiary Company		
Niche Generics Limited	30.39	27.00
	<b>30.39</b>	<b>27.00</b>
vi) Outstanding Loan to Subsidiary		
Unichem Pharmaceuticals (USA) Inc.	42.74	-
	<b>42.74</b>	<b>-</b>
vii) Interest Receivable on Loan to Subsidiary		
Unichem Pharmaceuticals (USA) Inc.	0.60	-
	<b>0.60</b>	<b>-</b>

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

(₹ in crores)

Particulars	2024-2025	2023-2024
Post-employment benefit plans		
Unichem Laboratories Ltd - Employees Gratuity Fund	1.12	10.50
Unichem Laboratories Ltd - Employees Superannuation Fund	0.41	0.66
	<b>1.53</b>	<b>11.16</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 crores)

Particulars	2024-2025	2023-2024
i) Salary (including defined contribution plan)		
Key Management Personnel		
Mr. Pradeep Bhandari	1.07	0.98
Mr. Sandip Ghume	0.39	0.79
Mr. Sanjay Jain	0.56	-
	<b>2.02</b>	<b>1.77</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-imbursement 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.

#### 47 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 ₹ 0.31 crores (P.Y. ₹ 0.26 crores) and is grouped under note 34 (establishment and administrative expenses).

(₹ in crores)

The details of outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:	2024-2025	2023-2024
Lease payment not later than one year	0.19	0.12
Lease Payment later than one year and not later than five years	0.21	0.01
Lease Payment later than five years	-	-
<b>Total</b>	<b>0.40</b>	<b>0.13</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 ₹ 1.11 crores (P.Y. ₹ 0.91 crores) and is grouped under note 34 (rent and establishment & administrative expenses).

- c) Disclosure with respect to lease under Ind AS - 116 'Leases'

(₹ in crores)

Particulars	2024-2025	2023-2024
Interest expense on lease liabilities (Refer note 33)	1.05	0.53
Lease expenses in case of short term leases (Refer note 47(b))	1.11	0.91
Lease expenses in case of low value leases (other than short term as disclosed above) (Refer note 47(a))	0.31	0.26
Lease payments debited to lease liabilities	1.05	0.17
<b>Total cash outflow for leases [including short-term and low value leases]</b>	<b>3.52</b>	<b>1.87</b>
<b>Additions to ROU assets</b>	<b>5.23</b>	<b>-</b>

- d) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March 2025 and 31st March 2024 on an undiscounted basis:

(₹ in crores)

Particulars	2024-2025	2023-2024
Lease payment not later than one year	1.95	0.17
Lease Payment later than one year and not later than five years	7.03	2.32
Lease Payment later than five years	19.09	19.68
<b>Total</b>	<b>28.07</b>	<b>22.17</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).

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

Particulars		2024-2025	2023-2024
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	2,15,562	-
Weighted average number of equity shares for Diluted EPS (B)	Nos	7,06,21,312	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)	₹ crores	162.96	(92.18)
Earnings per equity share			
Basic (C/A)	₹	23.15	(13.09)
Diluted (C/B)	₹	23.08	(13.09)

Note: In respect of previous year, ESOPs are anti-dilutive and therefore, not considered for calculation of diluted earning per share.

#### 49 SHARE BASED PAYMENT PLANS (ESOP)

(i) During the year ended 31st March 2025 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	
	2024-2025	2023-2024
Option outstanding at the beginning of the year (Nos.)	5,00,000	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>5,00,000</b>
Vested and exercisable at the end of the year (Nos.)	-	-
Weighted Average Exercise Price (₹)	370	370
Weighted Average Fair Value of Option at the measurement date * (₹)	122	122

\*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 had been surrendered by the employees to the company. Further, the Company had 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	
				2024-2025	2023-2024
1st July 2023	30th September 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>-</b>	<b>5,00,000</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  
(₹ in crores)

Particulars	2024-2025	2023-2024
Employee stock option plan	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### 50 PAYMENTS TO STATUTORY AUDITORS AND COST AUDITORS

(i) Statutory Auditors (Excluding indirect tax)

(₹ in crores)

Particulars	2024-2025	2023-2024
Audit Fees	0.50	0.48
Tax Audit	0.10	0.10
Certification Charges	0.01	0.02
Taxation	0.29	0.51
Reimbursement of Expenses	0.01	0.01
<b>Total</b>	<b>0.91</b>	<b>1.12</b>

## (ii) Cost Auditors (Excluding indirect Tax)

(₹ in crores)

Particulars	2024-2025	2023-2024
Audit Fees	0.06	0.09
<b>Total</b>	<b>0.06</b>	<b>0.09</b>

## 51 RESEARCH &amp; DEVELOPMENT EXPENDITURE

- i) Total Research and Development expenditure including amount incurred at units approved by Department of Scientific & Industrial Research :

(₹ in crores)

Particulars	2024-2025	2023-2024
Materials	28.26	35.86
Salaries, wages and ex-gratia	28.52	31.58
Contribution to provident fund and other funds	2.09	2.28
Employees' welfare expenses	0.49	0.56
Rent	0.12	0.05
Insurance	0.32	0.45
Rates and taxes	0.16	0.16
Repairs:		
- Plant and machinery	1.47	0.53
- Others	1.50	2.86
Power and fuel	2.63	3.23
Travelling and conveyance	0.24	0.21
Legal & professional expenses	2.71	3.33
Others (depreciation, bioequivalence studies, etc.)	21.49	23.57
<b>Total</b>	<b>90.00</b>	<b>104.67</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 crores)

Particulars	2024-2025	2023-2024
Materials	15.51	24.07
Salaries, wages and ex-gratia	28.46	31.22
Contribution to provident fund and other funds	2.09	2.26
Employees' welfare expenses	0.49	0.55
Rent	0.12	0.03
Insurance	0.21	0.32
Rates and taxes	0.16	0.16
Repairs:		
- Plant and machinery	1.47	0.51
- Others	1.50	2.85
Power and fuel	2.57	2.90
Travelling and conveyance	0.23	0.21
Legal & professional expenses	2.71	3.33
Others (depreciation, bioequivalence studies, etc.)	17.36	19.32
<b>Total</b>	<b>72.88</b>	<b>87.73</b>

## 52 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS PURSUANT TO SECTION 186(4) OF THE COMPANIES ACT, 2013

(₹ in crores)

Particulars	2024-2025	2023-2024
Amount outstanding as at year end:		
Loans Given *	42.74	-
Guarantees given *	30.39	27.00
Investments made ** (includes guarantee commission receivable)	270.98	335.55

\* Guarantees &amp; Loan are given to subsidiaries for business purposes

\*\* Refer note 6, 11 and 13 for details of investments made

### 53 FINANCIAL INSTRUMENTS

i) The carrying value and fair value of financial instruments by category is as follows:

(₹ in crores)

Particulars	As at 31st March 2025		As at 31st March 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets: *</b>				
<b>Amortised cost</b>				
Cash and cash equivalents	1.92	1.92	0.88	0.88
Other bank balances	28.05	28.05	3.41	3.41
Trade receivables	748.14	748.14	558.41	558.41
Loans	42.93	42.93	0.17	0.17
Other financial assets	7.73	7.73	6.12	6.12
<b>Fair value through profit or loss</b>				
Investments in mutual funds (including cash and cash equivalents)	58.66	58.66	126.11	126.11
Investments in equity instruments	0.02	0.02	0.02	0.02
Derivative instruments	3.44	3.44	-	-
<b>Fair value through OCI</b>				
Investments in equity instruments	-	-	-	-
<b>Total</b>	<b>890.89</b>	<b>890.89</b>	<b>695.12</b>	<b>695.12</b>
<b>Financial liabilities:</b>				
<b>Amortised cost</b>				
Borrowings	111.05	111.05	63.88	63.88
Trade payables	261.65	261.65	249.49	249.49
Lease liabilities	11.65	11.65	6.42	6.42
Other financial liabilities	47.46	47.46	22.69	22.69
<b>Fair value through profit or loss</b>				
Derivative instruments	1.38	1.38	1.32	1.32
<b>Total</b>	<b>433.19</b>	<b>433.19</b>	<b>343.80</b>	<b>343.80</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 2025

(₹ in crores)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment in equity instruments (other than in subsidiaries)	-	-	0.02	0.02
Investments in mutual funds	58.66	-	-	58.66
Derivative Instruments gain / (loss)	-	3.44	-	3.44
<b>Financial Liabilities</b>				
Derivative Instruments gain / (loss)	-	(1.38)	-	(1.38)

Fair value hierarchy as at 31st March 2024

(₹ in crores)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment in equity instruments (other than in subsidiaries)	-	-	0.02	0.02
Investments in mutual funds	126.10	-	-	126.10
<b>Financial Liabilities</b>				
Derivative Instruments gain / (loss)	-	(1.33)	-	(1.33)

#### 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.

**54 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) from non-derivative financial instruments:

(₹ in crores)

As at 31st March 2025	USD	Euro	Others*	Total
Assets				
Trade Receivables and vendor advances	710.42	34.29	35.28	779.99
Loan to Subsidiary	42.74	-	-	42.74
<b>Total</b>	<b>753.16</b>	<b>34.29</b>	<b>35.28</b>	<b>822.73</b>
Liabilities				
Trade Payable and customer advances	27.88	3.56	0.46	31.90
Borrowings	112.43	-	-	112.43
Short term provision [EU fine]	-	128.54	-	128.54
<b>Total</b>	<b>140.31</b>	<b>132.10</b>	<b>0.46</b>	<b>272.87</b>
<b>Net Assets / Liabilities</b>	<b>612.85</b>	<b>(97.81)</b>	<b>34.82</b>	<b>549.86</b>

\* Others mainly include currency namely GBP, ZAR, CAD & CHF

(₹ in crores)

As at 31st March 2024	USD	Euro	Others**	Total
Assets				
Trade Receivables and vendor advances	507.86	22.17	30.12	560.15
<b>Total</b>	<b>507.86</b>	<b>22.17</b>	<b>30.12</b>	<b>560.15</b>
Liabilities				
Trade Payable and customer advances	18.50	2.80	0.27	21.57
Borrowings	64.14	-	-	64.14
Short term provision [EU fine]	-	125.62	-	125.62
<b>Total</b>	<b>82.64</b>	<b>128.42</b>	<b>0.27</b>	<b>211.33</b>
<b>Net Assets / Liabilities</b>	<b>425.22</b>	<b>(106.25)</b>	<b>29.85</b>	<b>348.82</b>

\*\*Others mainly include currency namely GBP, ZAR & CAD

## Sensitivity analysis

(₹ in crores)

Particulars	FOREIGN CURRENCY SENSITIVITY					
	As at 31st March 2025			As at 31st March 2024		
	USD	Euro	Others	USD	Euro	Others
1 % Appreciation in INR Impact on Profit & Loss	(6.13)	0.98	(0.35)	(4.25)	1.06	(0.30)
1 % Depreciation in INR Impact on Profit & Loss	6.13	(0.98)	0.35	4.25	(1.06)	0.30

**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 2025. 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 2024.

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 crores)

As at 31st March 2025	In 1 year	More than 1 year	Total
Trade Payable	261.65	-	261.65
Lease liabilities	0.90	10.75	11.65
Borrowings	50.24	60.81	111.05
Other financial liabilities	48.84	-	48.84
<b>Total</b>	<b>361.63</b>	<b>71.56</b>	<b>433.19</b>

(₹ in crores)

As at 31st March 2024	In 1 year	More than 1 year	Total
Trade Payable	249.49	-	249.49
Lease liabilities	0.18	6.24	6.42
Borrowings	25.66	38.22	63.88
Other financial liabilities	24.01	-	24.01
<b>Total</b>	<b>299.34</b>	<b>44.46</b>	<b>343.80</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 2025 and 31st March 2024.

## 55 RATIOS

Ratio	Numerator	Denominator	Times / %	2024-2025	2023-2024	% Variance	Reason for variance in excess of 25%
				Current Period	Previous Period		
(a) Current Ratio	Current Assets	Current Liabilities	times	3.01	2.97	1.35%	-
(b) Debt-Equity Ratio	Total Borrowings	Shareholder's Equity	times	0.05	0.03	66.67%	Additions to 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	8.44	0.62	1261.29%	Ratio is improved mainly due to higher profit
(d) Return on Equity	Profit / (Loss) after tax	Average Shareholder's Equity	%	6.9%	-3.9%	276.92%	As stated in (c) above
(e) Inventory/Stock Turnover Ratio	Cost of goods sold +consumption of stores and spares	Average Inventory	times	1.51	1.45	4.14%	-
(f) Trade Receivables Turnover Ratio	Sales	Average Trade Receivable	times	2.59	2.70	-4.07%	-
(g) Trade payables Turnover Ratio	Purchases	Average Trade Payables	times	4.84	5.22	-7.28%	-
(h) Net Capital Turnover Ratio	Sales	Working Capital	times	1.61	1.52	5.92%	-
(i) Net Profit / (Loss) Ratio	Net Profit / (Loss) after tax	Sales	%	9.65%	-6.62%	245.77%	As stated in (c) above
(j) Return on Capital Employed	Profit / (Loss) before interest and tax (after exceptional items)	Capital Employed	%	7.35%	-3.47%	311.82%	As stated in (c) above
(k) Return on Investment	Income generated from invested funds including fair valuation	Average invested funds (including inter-corporate deposits)	%	9.26%	4.77%	94.13%	Higher fair value gain and part of the investments are also liquidated in current year, Also loan given to subsidiary in current year.

- 56** As on 31st March 2025, the Company has not been declared wilful defaulter by any bank / financial institution or other lender.
- 57** The Company is not engaged in the business of trading or investing in crypto currency or virtual currency and hence no disclosure is required.
- 58** 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.
- 59** 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.
- 60** No proceedings have been initiated or are pending against the Company as on 31st March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 61** 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.
- 62** The Company has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.
- 63** 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 2025

## For and on behalf of the Board of Directors

**Pranay Godha**  
 Non-Executive, Non-Independent Director (DIN: 00016525)  
**Pabitrakumar Bhattacharyya**  
 Managing Director (DIN: 07131152)  
**Sanjay Jain**  
 Chief Financial Officer (Membership no. ACA 110009)  
**Pradeep Bhandari**  
 Head - Legal & Company Secretary (Membership no. ACS 14177)

# 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"), comprising the Consolidated Balance Sheet as at 31st March 2025, 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2025 and their consolidated profit (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.

**Managements and Board of Directors Responsibility for the consolidated financial statements**

6. The Holding Company's Management and Board of Directors are 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, as amended, and other accounting principles generally accepted in India.

The respective Management and 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 management and Board of Directors either intend 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 with reference to consolidated financial statement 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 and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements of six subsidiaries, whose financial statements reflect total assets of Rs. 1,159.74 crores as at 31st March 2025, total revenues (including other income) Rs. 1,409.35 crores and total net profit after tax (including other comprehensive income) amounting to Rs. 34.56 crores, and net cash inflow of Rs. 5.37 crores for the year ended 31st March 2025, 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. We also did not review the financial information of the purchased business of "Bayshore Pharmaceuticals LLC, USA" upto the date of agreement whose financial results reflects total revenues of Rs. 83.17 crores, net loss after tax of Rs. 13.23 crores and total comprehensive income of Rs. 13.23 crores, as considered in these consolidated financial statements for the year ended 31st March 2025. These financial information have been prepared by the management for consolidation purpose including restated comparative figures for the year ended 31st March 2024. In our opinion and according to the information and explanations given to us by the management, these financial information is not material to the Group. Also refer note 51 in consolidated financial statements.
10. In case of associate, the carrying value of investment had been fully impaired. Further, financial information of associate is not available for the year ended 31st March 2025. 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 management certified figures.

**Report on Other Legal and Regulatory Requirements**

11. 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 special purpose 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, financial information is not available;
- 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 2025 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31st March 2025 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. Refer note 37(A)(i), 37(A)(ii), 37(B)(i), 37(B)(ii) and 37(B)(iii) to the consolidated financial statements;
  - ii. The Group 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. The Holding Company has not paid / proposed dividend during the year. Therefore, any reporting as required by section 123 of the Act is not applicable to the Holding Company.
- vi. 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 and the audit trail has been preserved by the Company as per the statutory requirements for record retention. The said rule is not applicable to subsidiaries of the Holding Company as they are incorporated outside India.

12. 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.: 25118991BMJHPD1251

Place: Mumbai

Date: 22nd May 2025

#### **Annexure I to Independent Auditor's Report for the year ended 31st March 2025**

**[Referred to point 11(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**

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") as of and for the year ended 31st March 2025, 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 2025, 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 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.: 25118991BMJHPD1251

Place: Mumbai

Date: 22nd May 2025

# Consolidated Balance Sheet as at 31st March 2025

CIN: L99999MH1962PLC012451

(₹ in crores)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	1,211.01	1,125.20
(b) Right of use assets	4	68.31	69.29
(c) Capital work-in-progress	3	30.67	122.71
(d) Goodwill	3	1.55	1.55
(e) Other intangible assets	3	18.70	56.36
(f) Financial assets			
(i) Investments	6	0.02	0.02
(ii) Loans	7	0.14	0.13
(iii) Other financial assets	8	8.27	5.91
(g) Deferred tax assets (net)	9	25.78	6.78
(h) Other non-current assets	10	167.00	140.33
		<b>1,531.45</b>	<b>1,528.28</b>
<b>Current assets</b>			
(a) Inventories	11	988.74	736.26
(b) Financial assets			
(i) Investments	12	-	1.34
(ii) Trade receivables	13	778.81	642.31
(iii) Cash and bank balances	14		
Cash & cash equivalents		89.58	154.75
Other bank balances		28.05	3.41
(iv) Loans	15	0.06	0.04
(v) Other financial assets	16	4.83	0.23
(c) Other current assets	17	139.40	204.98
		<b>2,029.47</b>	<b>1,743.32</b>
<b>Non-current assets held for sale</b>	5	<b>8.48</b>	<b>3.35</b>
<b>TOTAL ASSETS</b>		<b>3,569.40</b>	<b>3,274.95</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	18	14.08	14.08
(b) Other equity	19	2,436.51	2,424.22
		<b>2,450.59</b>	<b>2,438.30</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	60.81	38.22
(ii) Lease liabilities	21	25.19	24.16
(b) Provisions	22	37.86	35.80
(c) Deferred tax liabilities (net)	23	-	-
(d) Other non-current liabilities	24	0.64	0.87
		<b>124.50</b>	<b>99.05</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	25	369.16	180.93
(ii) Lease liabilities	21	4.61	4.21
(iii) Trade payables	26		
Total outstanding dues of micro enterprises and small enterprises		7.67	3.49
Total outstanding dues of creditors other than micro enterprises and small enterprises		394.88	347.77
(iv) Other financial liabilities	27	50.68	29.18
(b) Other current liabilities	28	22.99	33.96
(c) Provisions	29	137.64	135.85
(d) Current tax liabilities (net)		4.34	2.21
		<b>991.97</b>	<b>737.60</b>
<b>Non-current Liabilities held for sale</b>	5	<b>2.34</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,569.40</b>	<b>3,274.95</b>

## Material accounting policies & notes

1 - 62

Notes to Accounts form an integral part of consolidated financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

**Bhavin Kapadia**

Partner

Membership No.: 118991

Place: Mumbai

Date: 22nd May 2025

For and on behalf of the Board of Directors

**Pranay Godha**

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

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sanjay Jain**

Chief Financial Officer (Membership no. ACA 110009)

**Pradeep Bhandari**

Head - Legal & Company Secretary (Membership no. ACS 14177)

# Consolidated Statement of Profit and Loss for the year ended 31st March 2025

CIN: L99999MH1962PLC012451

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
I Revenue from operations	30	2,110.97	1,785.11
II Other income	31	35.32	31.59
<b>III Total Income (I+II)</b>		<b>2,146.29</b>	<b>1,816.70</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	32	888.24	762.83
Purchases of Stock-in-Trade		175.78	80.83
Changes in inventories of stock-in-trade, finished goods and work-in-progress	32	(200.35)	(106.96)
Employee benefits expense	33	402.21	403.20
Finance costs	34	21.03	22.66
Depreciation and amortisation expense	3,4	124.56	123.16
Other expenses	35	580.23	558.33
<b>Total expenses (IV)</b>		<b>1,991.70</b>	<b>1,844.05</b>
<b>V Profit / (Loss) before share of profit / (loss) in associate (III - IV)</b>		<b>154.59</b>	<b>(27.35)</b>
VI Share of profit / (loss) in associate (net of tax)		-	-
<b>VII Profit / (Loss) before exceptional items and tax (V+VI)</b>		<b>154.59</b>	<b>(27.35)</b>
VIII Exceptional items - expenses	35.2	-	57.61
<b>IX Profit / (Loss) before tax (VII-VIII)</b>		<b>154.59</b>	<b>(84.96)</b>
X Tax expense:			
(1) Current tax	23	18.39	7.94
(2) Deferred tax charge / (credit)	9,23	(1.20)	0.86
(3) Short / (Excess) provision for tax (earlier years)	23	(0.12)	-
		<b>17.07</b>	<b>8.80</b>
<b>XI Profit / (Loss) for the year (IX-X)</b>		<b>137.52</b>	<b>(93.76)</b>
XII Other Comprehensive Income	36		
A (i) Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of the net defined benefit plan		1.38	(0.28)
- Equity instruments through other comprehensive income		-	-
(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)		-	-
B (i) Items that will be reclassified to profit or loss			
- Foreign currency translation difference		(7.22)	(5.12)
- Gain / (Loss) on cash flow hedge		(1.13)	(0.25)
(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 / (loss)</b>		<b>(6.97)</b>	<b>(5.65)</b>
<b>XIII Total Comprehensive Income / (loss) for the year (XI+XII)</b>		<b>130.55</b>	<b>(99.41)</b>
<b>XIV Earnings per equity share (face value of ₹ 2 each)</b>	45		
(1) Basic		19.53	(13.32)
(2) Diluted		19.47	(13.32)
<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 2025

## For and on behalf of the Board of Directors

**Pranay Godha**

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

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sanjay Jain**

Chief Financial Officer (Membership no. ACA 110009)

**Pradeep Bhandari**

Head - Legal & Company Secretary (Membership no. ACS 14177)

# Consolidated Statement of Changes in Equity for the year ended 31st March 2025

CIN: L99999MH1962PLC012451

## A. Equity Share Capital

Particulars	2024-2025		2023-2024	
	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)
Shares outstanding as at the beginning of the year	7,04,05,750	14.08	7,04,05,750	14.08
Add: Shares allotted under ESOP during the year	-	-	-	-
Shares outstanding as at the end of the year	7,04,05,750	14.08	7,04,05,750	14.08

## B. Other Equity

(₹ in crores)

Particulars	Employee stock options outstanding account	Reserves and Surplus					Other Comprehensive Income (OCI)			Total
		Securities Premium	Capital Reserve	Capital Redemption Reserve	Fair Value Adjustment Reserve	Retained Earnings	Remeasurements of defined benefit plans	Gain / (Loss) on cash flow hedge	Exchange differences on translating the financial statements of a foreign operation	
Balance as at 31st March 2023	12.05	1.33	-	12.46	-	2,397.48	(6.61)	-	4.50	2,421.21
Profit / (Loss) for the year	-	-	-	-	-	(93.76)	-	-	-	(93.76)
Due to business combination (refer note 51)	-	-	55.16	-	44.20	-	-	-	-	99.36
Other Comprehensive Income for the year	-	-	-	-	-	-	(0.28)	(0.25)	(5.12)	(5.65)
Recognition of share-based payment (ESOP) (net)	3.06	-	-	-	-	-	-	-	-	3.06
Transfer to retained earnings	(12.05)	-	-	-	-	12.05	-	-	-	-
Balance as at 31st March 2024	3.06	1.33	55.16	12.46	44.20	2,315.77	(6.89)	(0.25)	(0.62)	2,424.22
Profit / (Loss) for the year	-	-	-	-	-	137.52	-	-	-	137.52
Due to business combination (refer note 51)	-	-	(93.71)	-	(26.61)	-	-	-	-	(120.32)
Other Comprehensive Income for the year	-	-	-	-	-	-	1.38	(1.13)	(7.22)	(6.97)
Recognition of share-based payment (ESOP) (net)	2.06	-	-	-	-	-	-	-	-	2.06
Transfer to retained earnings	-	-	-	-	(2.89)	2.89	-	-	-	-
Balance As at 31st March 2025	5.12	1.33	(38.55)	12.46	14.70	2,456.18	(5.51)	(1.38)	(7.84)	2,436.51

Material accounting policies & notes 1 - 62

### 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 Reserve:** It represents difference arising on account of business acquisition in case of common control. The reserve is not available for distribution. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013. Refer Note no. 51.

**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.

**Fair Value Adjustment Reserve:** It represents reserve towards intangible assets (ANDAs) in regard to business acquisition as elaborated in note 51 of the consolidated financial statement. Further as per Ind AS 38, the proportionate amount of amortization of intangible assets is transferred to Retained Earnings. Also Refer Note 3 (ix).

### Other Comprehensive Income:

a) 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.

b) 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.

c) 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.

d) 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 2025

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

**Pranay Godha**

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

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sanjay Jain**

Chief Financial Officer (Membership no. ACA 110009)

**Pradeep Bhandari**

Head - Legal & Company Secretary (Membership no. ACS 14177)

# Consolidated Statement of Cash Flows for the year ended 31st March 2025

(₹ in crores)

CIN: L99999MH1962PLC012451

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit / (loss) before tax</b>	<b>154.59</b>	<b>(84.96)</b>
Adjustments:		
Depreciation / amortisation	124.56	123.16
Loss / (profit) on sale / discard of property, plant and equipment (net)	(0.95)	(4.86)
Unrealised exchange difference (gain) / loss (net)	4.01	(1.00)
Rent income *	-	-
Finance cost	21.03	22.66
Provision for doubtful debts, loans, advances & deposits (net)	1.41	0.64
Share-based payment to employees	2.12	3.08
Fair value (gain) / loss on investments (net)	0.68	(6.44)
Net (gain) / loss on sales of shares and mutual funds	(0.02)	(64.78)
Interest income	(2.85)	(0.67)
Sundry balances written off / (written back)	(1.29)	(0.09)
Provision for European commission fine	-	125.62
Dividend income *	-	-
	148.70	197.32
<b>Operating Profit / (Loss) before working capital changes</b>	<b>303.29</b>	<b>112.36</b>
Working capital Adjustments:		
Trade receivables and other assets	(39.04)	(5.39)
Inventories	(252.48)	(79.45)
Trade payable and other liabilities	(2.37)	(7.15)
	(293.89)	(91.99)
Cash Generated from / (used in) operations	9.40	20.37
Direct taxes refund received / (payment made)	(16.42)	(6.37)
<b>Net Cash Flow from / (used in) Operating Activities A</b>	<b>(7.02)</b>	<b>14.00</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment including Capital WIP	(137.36)	(22.55)
Proceeds from sale of property, plant and equipment	2.17	8.95
Purchase consideration paid towards business combination	(84.45)	-
Sale / (purchase) of current investment (net)	1.36	65.07
Sale of non current investment (quoted equity shares)	-	0.16
Rent received *	-	-
(Increase) / decrease in escrow bank accounts & fixed deposits	(24.64)	(1.80)
Interest received	1.69	0.57
Dividend received *	-	-
<b>Net cash flow from / (used in) Investing Activities B</b>	<b>(241.23)</b>	<b>50.40</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase / (decrease) in working capital borrowings (net)	184.84	(52.82)
Receipt of term loan from bank	50.39	-
Repayments of term loan to bank	(25.66)	(25.66)
Payments of lease liabilities	(5.90)	(5.39)
Finance cost paid	(19.57)	(22.23)
Dividend paid (transferred to Investor Education and Protection Fund)	(0.34)	(0.21)
<b>Net cash flow from / (used in) Financing Activities C</b>	<b>183.76</b>	<b>(106.31)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(64.49)</b>	<b>(41.91)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>154.75</b>	<b>183.75</b>
Add: Cash and Cash Equivalents due to business combination	-	6.54
Effect of fair value gain / (loss) on liquid mutual funds	(0.68)	6.37
<b>Cash and Cash Equivalents at end of the year</b>	<b>89.58</b>	<b>154.75</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 crores)

Particulars	1st April 2024	Cash inflows / (outflows)	Non cash changes	31st March 2025
Borrowings - non cash changes arising out of exchange rate fluctuations	219.15	209.57	1.25	429.97
Lease liabilities - non cash changes arising out of unwinding & additions of liabilities	28.37	(5.90)	7.33	29.80
Particulars	1st April 2023	Cash inflows / (outflows)	Non cash changes	31st March 2024
Borrowings - non cash changes arising out of exchange rate fluctuations	297.39	(35.35)	(42.89)	219.15
Lease liabilities - non cash changes arising out of unwinding & additions of liabilities	16.65	(5.39)	17.11	28.37

\* Amount less than ₹ 0.5 lakhs

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 2025

For and on behalf of the Board of Directors

**Pranay Godha**

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

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sanjay Jain**

Chief Financial Officer (Membership no. ACA 110009)

**Pradeep Bhandari**

Head - Legal & Company Secretary (Membership no. ACS 14177)

# Notes forming part of Consolidated Financial Statements

for the year ended 31st March 2025

## 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.

During the year ended 31st March 2025, the wholly owned subsidiary "Unichem Pharmaceutical (USA), Inc." has entered into an agreement with Bayshore Pharmaceuticals LLC, USA ("Bayshore USA") (wholly owned step-down subsidiary of Ipca Laboratories Limited, Company's Ultimate holding Company) for purchase of USA generics formulations marketing/distribution business of Bayshore USA as a going concern through slump sale/transfer of entire business (debt free) and all goodwill associated with the business (refer note 51).

The consolidated financial statements of the Group for the year ended 31st March 2025 were approved and adopted by the Board of Directors in their meeting dated 22nd May 2025.

## 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:

- Certain financial assets and liabilities (including derivative instruments);
- Defined benefit plans – plan assets;
- Equity settled share based payments;
- Assets held for sale

The financial statements are in accordance with Division II of Schedule III to the Act, as applicable to the Holding Company.

**2.3. Basis of Consolidation**

- i) The Holding Company consolidates all entities which it controls. Control is established when the Holding Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.
- ii) The Holding Company reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company.
- iii) Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Holding Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- iv) Where the cost of the investment is higher than the share of equity in the subsidiary at the time of acquisition, the resulting difference is treated as goodwill. Where the cost of the equity is lower than the share of equity in the subsidiary, the difference is treated as capital reserve.
- v) The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- vi) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full. Tax impact is given for the intra-group eliminations wherever applicable.
- vii) In case of subsidiaries, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve in 'other equity'.
- viii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- ix) Investment in associates where the Holding Company holds more than 20% of equity and/or having significant influence, are accounted for using equity method as per Ind AS 28 - Investments in Associates and joint ventures.
- x) The Holding Company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Holding Company and its associates to the extent of its share, to the extent such change is attributable to the associates' statement of profit and loss.
- xi) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

**2.4. Current and non-current classification**

All assets and liabilities are presented in the Balance Sheet based on current or non-current classification as per Group's normal operating cycle and other criteria set out in Division II of Schedule III of the Act.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Group has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

**2.5. Functional currency and presentation of currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Holding Company operates ('the functional currency'). The financial statements are presented in Indian Rupee, which is the Holding Company's functional and presentation currency. All amounts are rounded off to the nearest rupees in crores. 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, 22, 29, 37, 38 and 39)
- vi) Estimation of defined benefit plan and other long-term benefits (refer note no. 2.20, 22, 29 and 48)
- 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 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 recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or

liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. 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 are recognized for all taxable temporary differences, except-when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.

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 costs 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 had 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 was 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 computer software/licenses [other than standalone software / 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 software / licenses cost are fully charged off to statement of profit and loss in the year of expenditure. These software / licenses are for administrative purposes.

The management has estimated the economic useful life for intangible assets as follows:

Nature of assets	Useful life
Product Licenses	Up to 6 years

## 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 / liabilities held for sale

Non-current assets / liabilities 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 of 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. To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

#### **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 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 recognized by deducting grant to arrive at the carrying amount 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. Business Combination**

Business Combination has been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes fair value of any contingent considerations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at the fair value on the date of acquisition. Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts and no adjustments are made to reflect their fair values or recognise any new assets or liabilities. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve and presented separately from other capital reserves. If the initial accounting for a business combination is incomplete by the end of reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date. Goodwill/capital reserve arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

### **2.31. Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March 2025, MCA has not modified any new standards or amendments to the existing standards applicable to the Company.

### 3 PROPERTY, PLANT & EQUIPMENT

(₹ in crores)

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 2023</b>	<b>3.78</b>	<b>510.10</b>	<b>1,121.38</b>	<b>19.32</b>	<b>4.69</b>	<b>13.31</b>	<b>1,672.58</b>	<b>1.55</b>	<b>4.35</b>	<b>7.01</b>	<b>12.91</b>	<b>147.45</b>
Additions	-	3.65	36.32	0.08	-	0.19	40.24	-	-	-	-	14.72
Addition due to business combination (refer note 51)	-	-	-	0.31	-	-	0.31	-	-	126.36	126.36	-
Disposal and Exchange gain/(loss)	-	2.94	0.38	1.55	2.41	0.49	7.77	-	0.01	0.18	0.19	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	39.46
<b>As at 31st March 2024</b>	<b>3.78</b>	<b>510.81</b>	<b>1,157.32</b>	<b>18.16</b>	<b>2.28</b>	<b>13.01</b>	<b>1,705.36</b>	<b>1.55</b>	<b>4.34</b>	<b>133.19</b>	<b>139.08</b>	<b>122.71</b>
Additions	-	43.57	149.74	0.85	1.58	0.72	196.46	-	-	-	-	126.28
Transferred to assets held for sale (refer note 5)	0.03	4.70	0.68	-	-	0.32	5.73	-	-	7.01	7.01	-
Disposal and Exchange gain/(loss)	-	(0.17)	5.43	1.02	0.04	0.02	6.34	-	(0.01)	103.80	103.79	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	218.32
<b>As at 31st March 2025</b>	<b>3.75</b>	<b>549.85</b>	<b>1,300.95</b>	<b>17.99</b>	<b>3.82</b>	<b>13.39</b>	<b>1,889.75</b>	<b>1.55</b>	<b>4.35</b>	<b>22.38</b>	<b>28.28</b>	<b>30.67</b>
<b>Accumulated Depreciation/Amortisation/Impairment</b>												
<b>As at 31st March 2023</b>	-	<b>95.05</b>	<b>358.48</b>	<b>9.83</b>	<b>2.89</b>	<b>10.21</b>	<b>476.46</b>	-	<b>4.35</b>	<b>7.01</b>	<b>11.36</b>	-
Charge for the year - Depreciation & amortisation**	-	18.81	85.46	1.73	0.26	1.20	107.46	-	-	9.90	9.90	-
Addition due to business combination (refer note 51)	-	-	-	0.24	-	-	0.24	-	-	60.11	60.11	-
Disposal and Exchange gain/(loss)	-	0.63	0.23	1.47	1.23	0.44	4.00	-	0.01	0.19	0.20	-
<b>As at 31st March 2024</b>	-	<b>113.23</b>	<b>443.71</b>	<b>10.33</b>	<b>1.92</b>	<b>10.97</b>	<b>580.16</b>	-	<b>4.34</b>	<b>76.83</b>	<b>81.17</b>	-
Charge for the year - Depreciation & amortisation	-	18.39	85.68	1.18	0.10	0.79	106.14	-	-	11.23	11.23	-
Transferred to assets held for sale (refer note 5)	-	2.62	0.07	-	-	0.31	3.00	-	-	7.01	7.01	-
Disposal and Exchange gain/(loss)	-	(0.77)	4.68	0.85	0.03	(0.23)	4.56	-	(0.01)	77.37	77.36	-
<b>As at 31st March 2025</b>	-	<b>129.77</b>	<b>524.64</b>	<b>10.66</b>	<b>1.99</b>	<b>11.68</b>	<b>678.74</b>	-	<b>4.35</b>	<b>3.68</b>	<b>8.03</b>	-
<b>Net book value</b>												
<b>As at 31st March 2025</b>	<b>3.75</b>	<b>420.08</b>	<b>776.31</b>	<b>7.33</b>	<b>1.83</b>	<b>1.71</b>	<b>1,211.01</b>	<b>1.55</b>	-	<b>18.70</b>	<b>20.25</b>	<b>30.67</b>
<b>As at 31st March 2024</b>	<b>3.78</b>	<b>397.58</b>	<b>713.61</b>	<b>7.83</b>	<b>0.36</b>	<b>2.04</b>	<b>1,125.20</b>	<b>1.55</b>	-	<b>56.36</b>	<b>57.91</b>	<b>122.71</b>

\* Buildings include one Flat amounting to Nil (P.Y. ₹ 0.97 crores) where the co-operative society is yet to be formed.

\*\* During the year ended 31st March 2024, the Company had 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 was made to align the method of depreciation with that of its parent Company, due to which the depreciation for the previous year is lower by ₹ 2.62 crores.

#### Notes:

- Capital work-in-progress includes ₹ 19.60 crores (P.Y. ₹ 42.31 crores) on account of cost of construction.
- The amount of capital commitment disclosed in note 39(a).
- Certain property, plant and equipment were hypothecated / mortgaged as security for borrowing as disclosed under note 40.
- 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 ₹ 2.81 crores (P.Y. ₹ 1.79 crores) being expenditure on Research and Development as under:

(₹ in crores)

Assets Description	2024-2025	2023-2024
Buildings	-	0.24
Plant and Machinery	0.77	1.28
Office Equipment *	0.01	-
Capital Work- in- Progress	2.03	0.27
<b>Total</b>	<b>2.81</b>	<b>1.79</b>

\* Amount less than ₹ 0.5 lakhs in previous year

- Ageing of Capital work-in-progress:  
CWIP ageing schedule as at 31st March 2025

(₹ in crores)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11.59	2.18	0.01	16.89	<b>30.67</b>
Projects temporarily suspended	-	-	-	-	-

During the current year, the Company has completed the capacity expansion (Phase I) at Pithampur. Closing CWIP as at 31st March 2025, mainly includes manufacturing facility at Pithampur (Phase II) which is expected to capitalize in next year.

CWIP ageing schedule as at 31st March 2024

(₹ in crores)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.46	7.56	7.64	101.05	<b>122.71</b>
Projects temporarily suspended	-	-	-	-	-

Closing CWIP as at 31st March 2024, mainly includes new manufacturing facility at Pithampur which has been partially capitalised (Phase I) in the current year. Due to covid 19-pandemic, the completion timelines of the projects were extended.

## vii. Depreciation charged to P&amp;L account:

(₹ in crores)

Particulars	2024-2025	2023-2024
Property, Plant and Equipment	106.14	117.35
Other Intangible Assets	11.23	-
Right of use assets	7.19	5.81
<b>Total</b>	<b>124.56</b>	<b>123.16</b>

## viii. Borrowing cost:

(a) In accordance with Ind AS 23, the borrowing cost of ₹ 0.89 crores (P.Y. Nil) 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 8.65 % (P.Y. Nil).

## ix. Intangible Assets:

During the year ended 31st March 2025 the company purchased nine (9) ANDAs from Bayshore Pharmaceuticals LLC (step - down subsidiary of its Parent Company i.e. Ipca Laboratories Ltd.) at the fair value of ₹ 22.38 crores. These ANDAs are amortised over the remaining useful life as per the financial statements of the Bayshore Pharmaceuticals LLC. The corresponding fair valuation reserve amounting to ₹ 17.59 crores is also recognized in this respect and will be transferred to retained earnings in proportion to the amortization value. Range of remaining period of amortization as at 31st March 2025 is from 1-6 years (P.Y. 2-7 years).

#### 4 RIGHT OF USE ASSETS

Following are the changes in the carrying value of right of use assets:

(₹ in crores)

Particulars	Category of ROU assets					
	2024-2025			2023-2024		
	Leasehold Land	Buildings	Total	Leasehold Land	Buildings	Total
<b>Opening Balance</b>	<b>48.49</b>	<b>20.80</b>	<b>69.29</b>	<b>50.83</b>	<b>8.17</b>	<b>59.00</b>
Additions	-	5.23	<b>5.23</b>	-	16.96	<b>16.96</b>
Deletions / Exchange gain / loss *	-	0.98	<b>0.98</b>	(0.49)	(0.38)	<b>(0.87)</b>
Depreciation	(2.06)	(5.13)	<b>(7.19)</b>	(1.85)	(3.95)	<b>(5.80)</b>
<b>Closing Balance</b>	<b>46.43</b>	<b>21.88</b>	<b>68.31</b>	<b>48.49</b>	<b>20.80</b>	<b>69.29</b>

Refer note 47

The Group holds leasehold land and building against which there is annual payment over the lease period which is in range of 23-79 years and 1-6 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 AND LIABILITIES HELD FOR SALE

5.1 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 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 2025, the carrying value of such Property is ₹ 3.28 crores (P.Y. ₹ 3.35 crores) after being written down by a loss of ₹ 0.06 crores (P.Y. ₹ 0.06 crores) which has been charged off to the statement of profit and loss.

5.2 The Company has entered into an agreement for sale of immovable property situated at Jogeshwari for a consideration of ₹ 279.00 crores and it is subject to certain pre-conditions which are under process. Accordingly, carrying value of such assets aggregating to ₹ 2.21 crores (P.Y. Nil) is classified as 'assets held for sale'.

5.3 Subsequent to the year ended 31st March 2025, the Holding Company has transferred its 100% stake in its wholly owned subsidiary "Unichem Laboratories Limited, Ireland" (Unichem Ireland), to Company's Parent Company, "Ipca Laboratories Limited". Accordingly, assets (mainly comprising of balance in bank account and inventory) of ₹ 2.96 crores and liabilities (trade payables) of ₹ 2.34 crores of the subsidiary have been classified as held for sale.

5.4 As at balance sheet date, certain equipment aggregating ₹ 0.03 crores (P.Y. Nil) are classified as 'assets held for sale'.

5.5 The Company is expecting to dispose off the above assets in the next 12 months.

#### 6 INVESTMENTS ( NON-CURRENT )

##### 6.1 Investments accounted for using the equity method

(₹ in crores)

Particulars	No. of Shares		Face value	As at	As at
	As at 31st March 2025	As at 31st March 2024		31st March 2025	31st March 2024 (refer note 51)
<b>(I) 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	4.87	4.87
Add: Share in Profit / (Loss) after tax				-	-
Less: Impairment in value of investments				(4.87)	(4.87)
<b>Total of Investments measured at cost</b>				<b>-</b>	<b>-</b>

## 6.2 Investments (Non current)

(₹ in crores)

Particulars	No. of Shares		Face value	As at	As at
	As at 31st March 2025	As at 31st March 2024		31st March 2025	31st March 2024 (refer note 51)
<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 (includes 2500 bonus shares)	22,500	22,500	₹ 10	0.02	0.02
<b>Sub Total</b>				<b>0.02</b>	<b>0.02</b>
<b>QUOTED</b>					
<b>Equity Instruments (fully paid)</b>					
Kothari Industrial Corporation Ltd. *	20	20	₹ 5	-	-
<b>Sub Total</b>				-	-
<b>Total of Investments measured at FVTPL</b>				<b>0.02</b>	<b>0.02</b>
Aggregate carrying value of unquoted investments				0.02	0.02
Aggregate amount of impairment in value of investments				(4.87)	(4.87)
Aggregate carrying value of quoted investments				-	-
Aggregate market value of quoted investments				-	-

\* Amount less than ₹ 0.5 lakhs

## 7 LOANS (NON-CURRENT)

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>Unsecured, considered good</b>		
Loans to Employees	0.14	0.13
<b>Total</b>	<b>0.14</b>	<b>0.13</b>

## 8 OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
Inter-corporate deposits (refer note 8.1) [Net of provision for Impairment loss of ₹ 10 crores (P.Y. ₹ 10 crores)]	-	-
Deposits		
Considered Good	8.27	5.91
Considered Doubtful	0.54	0.54
Less: Allowance for Doubtful deposits	(0.54)	(0.54)
<b>Total</b>	<b>8.27</b>	<b>5.91</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 16.

## 9 DEFERRED TAX ASSETS

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
Deferred tax assets (net) pertaining to foreign subsidiaries	25.78	6.78
<b>Total</b>	<b>25.78</b>	<b>6.78</b>

### 9.1 The deferred tax asset comprises of:

(₹ in crores)

Particulars	As at 31st March 2025	Charge/(credit) for the year	As at 31st March 2024 (refer note 51)
<b>Deferred Tax Assets</b>			
Capitalized development stage costs	-	0.32	0.32
Goodwill [adjusted in capital reserve related to Bayshore business acquisition]	17.03	(17.03)	-
Depreciation / Amortisation	(0.51)	(0.15)	(0.66)
Others	9.26	(2.14)	7.12
<b>Total</b>	<b>25.78</b>	<b>(19.00)</b>	<b>6.78</b>
- Credited to statement of Profit and Loss	-	(1.20)	-
- Credited to Reserves	-	(17.80)	-

(₹ in crores)

Particulars	As at 31st March 2024	Charge/(credit) for the year	As at 31st March 2023
<b>Deferred Tax Assets</b>			
Capitalized development stage costs	0.32	0.09	0.41
Depreciation / Amortisation	(0.66)	0.14	(0.52)
Others	7.12	3.10	10.22
<b>Total</b>	<b>6.78</b>	<b>3.33</b>	<b>10.11</b>

- 9.2 In case of certain subsidiaries, deferred tax asset has not been recognised on unused tax losses of ₹ 200.99 crores (P.Y. ₹ 172.24 crores) in the absence of probable future taxable income including unused tax losses of Ireland subsidiary. This loss can be carried forward as per the timeline prescribed in jurisdiction of the subsidiaries. In respect of two subsidiaries, deferred tax assets (net) are recognised as per applicable tax laws.
- 9.3 In respect of the Holding Company, deferred tax asset is recognised on the amount of tax loss, unabsorbed tax depreciation and other temporary differences like unrealized stock profit on elimination of inter company transaction to the extent of deferred tax liability. Further, deferred tax asset is not recognized on the amount of unrealized stock profit and unabsorbed tax depreciation aggregating to ₹ 103.49 crores (P.Y. ₹ 452.27 crores).

**10 OTHER NON CURRENT ASSETS**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
Capital advances	21.35	7.06
[Net of provision for Doubtful advances, ₹ 0.36 crores (P.Y. ₹ 0.36 crores)]		
Payments to European Commission (refer note 38)	24.80	21.45
Balance with government authorities (including refund receivable)	114.10	105.35
Advance income tax (net of provision)	6.75	6.47
<b>Total</b>	<b>167.00</b>	<b>140.33</b>

**11 INVENTORIES**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>Raw Materials</b>		
In hand	315.19	265.16
In transit	8.50	7.87
	<b>323.69</b>	<b>273.03</b>
<b>Packing Materials</b>		
In hand	29.83	32.78
In transit	0.25	0.18
	<b>30.08</b>	<b>32.96</b>
<b>Work-in-Progress</b>	<b>116.63</b>	<b>102.73</b>
<b>Finished Goods</b>		
In hand		
Own	413.05	282.13
Traded	70.11	27.88
	<b>483.16</b>	<b>310.01</b>
In transit		
Own	15.06	1.76
	<b>15.06</b>	<b>1.76</b>
<b>Stores and Spares</b>	<b>20.12</b>	<b>15.77</b>
<b>Total</b>	<b>988.74</b>	<b>736.26</b>

- 11.1 During the year ended 31st March 2025, ₹ 5.35 crores (P.Y. ₹ 17.07 crores) 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 )

(₹ in crores)

Particulars	No. of Units		Amount	
	As at 31st March 2025	As at 31st March 2024	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<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	-	1.34
<b>Total of Investments measured at FVTPL</b>			-	<b>1.34</b>
<b>Total</b>			-	<b>1.34</b>
Aggregate carrying value of quoted investments			-	1.34
Aggregate market value of quoted investments			-	1.34

\* Investments in mutual funds were pledged with Citibank N.A.

## 13 TRADE RECEIVABLES

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
Unsecured		
Considered good	778.81	642.31
Considered doubtful	4.81	3.43
Less: Allowance for doubtful debts	(4.81)	(3.43)
<b>Total</b>	<b>778.81</b>	<b>642.31</b>

The movement in allowance for doubtful receivables is as follows :

(₹ in crores)

Particulars	2024-2025	2023-2024
Opening balance	3.43	2.95
Add: Allowance for doubtful receivables made during the year	1.38	0.48
<b>Closing balance</b>	<b>4.81</b>	<b>3.43</b>

## 13.1 Trade receivables ageing schedule - Current:

As at 31st March 2025

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	743.20	35.73	1.28	1.21	0.36	0.81	782.59
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	0.37	0.37
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	0.66	0.66
<b>Sub total</b>	<b>743.20</b>	<b>35.73</b>	<b>1.28</b>	<b>1.21</b>	<b>0.36</b>	<b>1.84</b>	<b>783.62</b>
Less: Allowance for Doubtful debts							(4.81)
<b>Total</b>							<b>778.81</b>

As at 31st March 2024 (refer note 51)

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	180.46	461.60	1.84	-	0.07	0.47	644.44
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	0.43	0.21	0.64
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	0.66	0.66
<b>Sub total</b>	<b>180.46</b>	<b>461.60</b>	<b>1.84</b>	<b>-</b>	<b>0.50</b>	<b>1.34</b>	<b>645.74</b>
Less: Allowance for Doubtful debts							(3.43)
<b>Total</b>							<b>642.31</b>

## 14 CASH AND BANK BALANCES

(₹ in crores)

Particulars	No. of Units		Amount	
	As at 31st March 2025	As at 31st March 2024	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>(a) Cash &amp; cash equivalents</b>				
(i) Balances with banks				
In Current Accounts			26.35	27.97
In Fixed Deposits having current maturity less than 3 months			0.79	-
(ii) Cash on hand			0.06	0.05
(iii) Investments in Mutual Fund (At FVTPL)				
<b>Quoted</b>				
Aditya Birla Sun Life Debt Index Fund - Dir - Growth	96,16,413.51	-	9.84	-
Aditya Birla Sun Life Money Manager Fund - Dir - Growth	3,44,612.70	-	12.67	-
Aditya Birla Sun Life Liquid - Regular Plan - Growth	-	3,55,243.66	-	13.70
Bandhan Money Manager Fund - Dir - Growth	13,95,592.18	-	5.97	-
Kotak Debt Index Fund - Dir - Growth	79,77,025.04	-	8.03	-
Nippon India Liquid Fund - Reg - Growth	-	26,130.30	-	15.27
Nippon India Money Market Fund - Dir - Growth	-	31,809.89	-	12.15
Kotak Liquid Fund - Regular Plan - Growth	9,839.67	85,307.36	5.11	41.29
Kotak Money Market Scheme - Dir - Growth	38,337.42	1,02,736.85	17.04	42.35
Immediate liquidity applications -FAF (Brazil)	26,634.64	13,667.39	3.72	1.97
			<b>89.58</b>	<b>154.75</b>
<b>(b) Other bank balances (Restricted bank balances)</b>				
In Unpaid Dividend Account			0.94	1.29
In Fixed Deposits (against Bank Guarantee) having original maturity more than 3 months			27.11	2.12
			<b>28.05</b>	<b>3.41</b>
<b>Total</b>			<b>117.63</b>	<b>158.16</b>
Aggregate carrying value of quoted investments			62.38	126.73
Aggregate market value of quoted investments			62.38	126.73

## 15 LOAN (CURRENT)

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>Unsecured, considered good</b>		
Loans to Employees	0.06	0.04
<b>Total</b>	<b>0.06</b>	<b>0.04</b>

## 16 OTHER FINANCIAL ASSETS (CURRENT)

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
Accrued Interest on deposit	1.39	0.23
[Net of provision for Impairment loss ₹ 1.39 crores (P.Y. ₹ 1.39 crores)]		
Others (Forward contract receivable)	3.44	-
<b>Total</b>	<b>4.83</b>	<b>0.23</b>

## 17 OTHER CURRENT ASSETS

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>Unsecured, considered good</b>		
Prepaid Expenses	22.12	21.13
Balances with Revenue Authorities (including refund receivables) (refer note 17.2)		
-Considered good	94.79	158.83
-Considered Doubtful	0.06	0.70
Less: Provision for Doubtful Advances	(0.06)	(0.70)
Advance against materials and expenses	4.49	8.02
Export incentive receivable	15.76	8.43
Other receivables / advances		
-Considered good	2.24	8.57
-Considered doubtful	1.55	1.51
Less: Provision for doubtful advances	(1.55)	(1.51)
<b>Total</b>	<b>139.40</b>	<b>204.98</b>

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

Particulars	2024-2025	2023-2024
Opening balance (refer note 8, 10, 16 and 17)	13.80	13.84
Add / (less): Allowance for doubtful advances made during the year	0.03	(0.04)
<b>Closing balance</b>	<b>13.83</b>	<b>13.80</b>

17.2 In the current year, GST liabilities and assets have been offset against each other. Accordingly, the figures for the previous year have been regrouped to align with the current year's presentation.

## 18 EQUITY SHARE CAPITAL

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>AUTHORISED</b>		
17,50,00,000 Equity Shares of ₹ 2/- each (P.Y.: 17,50,00,000 Equity shares of ₹ 2/- each)	35.00	35.00
5,00,00,000 Unclassified Shares of ₹ 2/- each (P.Y.: 5,00,00,000 Unclassified Shares of ₹ 2/- each)	10.00	10.00
50,00,000 Preference Shares of ₹ 10/- each (P.Y.: 50,00,000 Preference Shares of ₹ 10/- each)	5.00	5.00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
7,04,05,750 Equity Shares of ₹ 2/- each fully paid up (P.Y.: 7,04,05,750 Equity Shares of ₹ 2/- each fully paid up)	14.08	14.08
<b>Total</b>	<b>14.08</b>	<b>14.08</b>

### 18.1 Reconciliation of Number of Shares (Equity)

Particulars	2024-2025		2023-2024	
	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)
Shares outstanding as at the beginning of the year	7,04,05,750	14.08	7,04,05,750	14.08
Add / (Less): Movements during the year	-	-	-	-
<b>Shares outstanding as at the end of the year</b>	<b>7,04,05,750</b>	<b>14.08</b>	<b>7,04,05,750</b>	<b>14.08</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 2025		As at 31st March 2024	
	No. of Shares	% held	No. of Shares	% held
Ipca Laboratories Limited	3,70,81,011	52.67%	3,70,81,011	52.67%
Dr. Prakash Amrut Mody	89,97,952	12.78%	89,97,952	12.78%
HDFC Small Cap Fund	54,73,134	7.77%	54,73,134	7.77%

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 31st March 2025	% of total shares as on 31st March 2025	No. of Shares as on 31st March 2024	% of total shares as on 31st March 2024
1	Ipca Laboratories Limited	3,70,81,011	52.67%	3,70,81,011	52.67%
2	Prakash Amrut Mody	89,97,952	12.78%	89,97,952	12.78%
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 - Suparna Mody Trust (Promoter Trust)	52,016	0.07%	52,016	0.07%
7	Prakash Amrut Mody - Supriya Mody Trust (Promoter Trust)	45,052	0.06%	45,052	0.06%
8	Prakash Amrut Mody - 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>4,94,40,586</b>	<b>70.22%</b>

## 19 OTHER EQUITY

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>CAPITAL REDEMPTION RESERVE</b>		
Balance at the beginning of the year	12.46	12.46
Add: Additions / (deductions) during the year	-	-
<b>Balance at the end of the year</b>	<b>12.46</b>	<b>12.46</b>
<b>CAPITAL RESERVE</b>		
Balance at the beginning of the year	55.16	-
Add: Additions / (deductions) during the year	(93.71)	55.16
<b>Balance at the end of the year</b>	<b>(38.55)</b>	<b>55.16</b>
<b>FAIR VALUE ADJUSTMENT RESERVE</b>		
Balance at the beginning of the year	44.20	-
Add: Additions / (deductions) during the year	(26.61)	44.20
Less: Transferred to Retained Earnings	(2.89)	-
<b>Balance at the end of the year</b>	<b>14.70</b>	<b>44.20</b>
<b>SECURITIES PREMIUM</b>		
Balance at the beginning of the year	1.33	1.33
Add: Additions / (deductions) during the year	-	-
<b>Balance at the end of the year</b>	<b>1.33</b>	<b>1.33</b>
<b>EMPLOYEE STOCK OPTIONS OUTSTANDING ACCOUNT</b>		
Balance at the beginning of the year	3.06	12.05
Add: Additions during the year	-	-
Less: Transferred to Retained Earnings (refer note 19.1)	-	(12.05)
	3.06	-
Add: Deferred Employees' stock compensation (refer note 49)	2.06	3.06
<b>Balance at the end of the year</b>	<b>5.12</b>	<b>3.06</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	(0.62)	4.50
Exchange difference arising on translating the foreign operations	(7.22)	(5.12)
<b>Balance at the end of the year</b>	<b>(7.84)</b>	<b>(0.62)</b>
<b>REMEASUREMENTS OF DEFINED BENEFIT PLANS</b>		
Balance at the beginning of the year	(6.89)	(6.61)
Add / (Less): Movements during the year	1.38	(0.28)
<b>Balance at the end of the year</b>	<b>(5.51)</b>	<b>(6.89)</b>
<b>GAIN/ (LOSS) ON CASH FLOW HEDGE</b>		
Balance at the beginning of the year	(0.25)	-
Add / (Less): Movements during the year	(1.13)	(0.25)
<b>Balance at the end of the year</b>	<b>(1.38)</b>	<b>(0.25)</b>
<b>RETAINED EARNINGS</b>		
Balance at the beginning of the year	2,315.77	2,397.48
Add: Profit / (Loss) for the year	137.52	(93.76)
Add: Transferred from shares options outstanding Account	-	12.05
Add: Transferred from Fair value adjustment reserve	2.89	-
<b>Balance at the end of the year</b>	<b>2,456.18</b>	<b>2,315.77</b>
<b>Total Reserves &amp; Surplus</b>	<b>2,436.51</b>	<b>2,424.22</b>

- 19.1 In FY 2023-2024, outstanding ESOPs had been surrendered by the employees to the Holding Company and its subsidiaries. Accordingly, balance in ESOP reserve was transferred to the retained earnings on the date of surrender.

**20 BORROWINGS ( NON CURRENT )**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>SECURED</b>		
Rupee Term Loan - Kotak Mahindra Bank	12.73	38.22
Foreign Currency Term Loan - CITI Bank Singapore	48.08	-
<b>Total</b>	<b>60.81</b>	<b>38.22</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 commenced from December 2021. Refer note 40 for securities pledged against the loan.
- 20.2 During the year ended 31st March 2024, the Holding Company had 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 ₹ 1.13 crores (P.Y. ₹ 0.25 crores). Also refer note 42.
- 20.3 During the year ended 31st March 2025 the Holding Company has obtained [ECB] Foreign Currency Term Loan at a floating rate linked to SOFR which is repayable in 16 quarterly instalments commencing from January 2026. Refer note 40 for securities pledged against the loan.

**21 LEASE LIABILITIES**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
Current lease liabilities	4.61	4.21
Non-current lease liabilities	25.19	24.16
<b>Total</b>	<b>29.80</b>	<b>28.37</b>

Refer note 47

**22 PROVISIONS ( NON-CURRENT )**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>Provision for employee benefits (refer note 48)</b>		
Defined benefit plan-Gratuity	11.51	8.62
Leave benefits	26.35	27.18
Long-term bonus	-	-
<b>Total</b>	<b>37.86</b>	<b>35.80</b>

**23 DEFERRED TAX LIABILITIES ( NET )**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
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 like unrealized stock profit on elimination of inter company transactions to the extent of deferred tax liability.

**23.2 Income tax expense / (benefit) recognized in consolidated statement of profit and loss (Holding Company and its Subsidiaries):**

(₹ in crores)

Particulars	2024-2025	2023-2024
<b>Current tax:</b>		
Current tax on profits for the year	18.39	7.94
Adjustments for current tax of prior periods	(0.12)	-
<b>Total Current tax expense</b>	<b>18.27</b>	<b>7.94</b>
<b>Deferred Tax:</b>		
Decrease / (increase) in Deferred Tax Assets	(7.93)	(17.05)
(Decrease) / Increase in Deferred Tax Liabilities	6.73	17.91
<b>Total Deferred tax expense / (credit)</b>	<b>(1.20)</b>	<b>0.86</b>
<b>Aggregate income tax expense</b>	<b>17.07</b>	<b>8.80</b>

**23.3 Reconciliation of tax expense and the accounting profit (Holding Company and its Subsidiaries) multiplied by India's domestic tax rate:**

(₹ in crores)

Particulars	2024-2025	2023-2024
<b>Total profit / (loss) before income taxes</b>	<b>154.59</b>	<b>(84.96)</b>
At India's Statutory Income Tax Rate of 25.168% (P.Y. 25.168%)	38.91	(21.38)
<b>Adjustments to reconcile expected income tax expense to reported income tax expense</b>		
Tax rate difference	-	(1.08)
Deferred tax asset recognised on remaining amount of b/f tax loss	-	16.60
Deferred tax asset not recognised on amount of losses	(21.72)	-
Adjustments for tax of prior periods	(0.12)	-
Tax effect on restated profit / loss due to business combination (refer note 51)	-	5.86
<b>Adjusted income tax expenses</b>	<b>17.07</b>	<b>-</b>
Tax charge / (credit) impact given in Other Comprehensive Income	-	-
<b>Total tax</b>	<b>17.07</b>	<b>-</b>
<b>Effective Income Tax Rate</b>	<b>11.04%</b>	<b>0.00%</b>

**23.4 Reflected in the Balance Sheet as follows (Holding Company):**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>Deferred Tax Liabilities</b>		
Depreciation and amortisation	82.07	88.08
Fair value gain on mutual funds (net)	-	0.22
Others	0.27	-
	<b>82.34</b>	<b>88.30</b>
<b>Deferred Tax Assets</b>		
Allowance for doubtful trade receivables	1.21	0.86
Allowance for doubtful advances	1.98	0.40
Allowance for impairment in value of investments	2.22	14.74
Allowance for impairment in value of other financial assets	-	2.52
Provision for employee benefits	14.24	11.27
Allowance for impairment in value of investments in Associate	-	1.18
Business loss / unabsorbed depreciation	40.64	56.46
Unrealised profit on inter group transaction	19.86	-
Others	2.19	0.87
	<b>82.34</b>	<b>88.30</b>
<b>Deferred Tax Liabilities (net)</b>	<b>-</b>	<b>-</b>

**23.5 Movement of deferred tax during the year 2024-2025 (Holding Company):**

(₹ in crores)

Particulars	Opening balance 1st April 2024	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March 2025
<b>Deferred tax liabilities in relation to</b>				
Depreciation and amortisation	88.08	(6.01)	-	82.07
Fair value gain on mutual funds (net)	0.22	(0.22)	-	-
Others	-	0.27	-	0.27
<b>Deferred tax assets in relation to</b>				
Allowance for doubtful trade receivables	(0.86)	(0.35)	-	(1.21)
Allowance for doubtful advances	(0.40)	(1.58)	-	(1.98)
Allowance for impairment in value of investments	(14.74)	12.52	-	(2.22)
Allowance for impairment in value of other financial assets	(2.52)	2.52	-	-
Provision for employee benefits	(11.27)	(3.12)	0.15	(14.24)
Allowance for impairment in value of investments in Associate	(1.18)	1.18	-	-
Business loss / unabsorbed depreciation	(56.46)	15.82	-	(40.64)
Unrealised profit on inter group transaction	-	(19.71)	(0.15)	(19.86)
Others	(0.87)	(1.32)	-	(2.19)
<b>Deferred tax liabilities (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**23.6 Movement of deferred tax during the year 2024-2025 (Holding Company):**

(₹ in crores)

Particulars	Opening balance 1st April 2023	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March 2024
<b>Deferred tax liabilities in relation to</b>				
Depreciation and amortisation	70.18	17.90	-	88.08
Fair value gain on equity instruments (net)	1.27	(1.05)	-	0.22
<b>Deferred tax assets in relation to</b>				
Allowance for doubtful trade receivables	(0.74)	(0.12)	-	(0.86)
Allowance for doubtful advances	(0.38)	(0.02)	-	(0.40)
Allowance for impairment in value of investments	(14.74)	-	-	(14.74)
Allowance for impairment in value of other financial assets	(2.52)	-	-	(2.52)
Provision for employee benefits	(12.83)	1.56	-	(11.27)
Allowance for impairment in value of investments in Associate	(1.18)	-	-	(1.18)
Business loss / unabsorbed depreciation	(38.04)	(18.42)	-	(56.46)
Others	(1.02)	0.15	-	(0.87)
<b>Deferred tax liabilities (net)</b>	-	-	-	-

**24 OTHER NON-CURRENT LIABILITIES**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>Unsecured</b>		
Others (Customer Advances)	0.64	0.87
<b>Total</b>	<b>0.64</b>	<b>0.87</b>

**25 BORROWINGS ( CURRENT )**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>Secured</b>		
<b>From Banks</b>		
Packing credit (refer note 39(b))	21.37	-
Cash credit facility, repayable on demand (refer note 25.2 & 40)	318.92	155.27
Rupee Term Loan - Kotak Mahindra Bank (current maturity of long term borrowings) (refer note 40)	25.66	25.66
Foreign Currency Term Loan - CITI Bank Singapore (current maturity of long term borrow) (refer note 40)	3.21	-
<b>Total</b>	<b>369.16</b>	<b>180.93</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.

25.2 It includes credit facility availed by the subsidiary (Niche Generics Limited) against which the Holding Company has given corporate guarantee.

**26 TRADE PAYABLES**

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 26.1)	7.67	3.49
Total outstanding dues of creditors other than micro enterprises and small enterprises	394.88	347.77
<b>Total</b>	<b>402.55</b>	<b>351.26</b>

26.1

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
Principal amount remaining unpaid to any suppliers as at 31st March (refer note 26)	7.07	2.96
Interest due thereon remaining unpaid to any suppliers as at 31st March (refer note 26)	0.60	0.53
	<b>7.67</b>	<b>3.49</b>
Principal amount remaining unpaid to any suppliers for capital goods as at 31st March (refer note 27)	0.60	-
Interest due thereon remaining unpaid to any suppliers for capital good as at 31st March (refer note 27)	0.03	-
	<b>0.63</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	14.33	9.79
The amount of interest due and payable for the period of delay in making payments	0.10	0.06
The amount of interest accrued and remaining unpaid as at 31st March	0.63	0.53
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.

## 26.2 Trade Payables ageing schedule:

As at 31st March 2025

(₹ in crores)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.61	6.77	0.29	-	-	-	7.67
(ii) Others	46.86	1.40	262.67	83.57	0.05	0.33	394.88
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>47.47</b>	<b>8.17</b>	<b>262.96</b>	<b>83.57</b>	<b>0.05</b>	<b>0.33</b>	<b>402.55</b>

As at 31st March 2024 (refer note 51)

(₹ in crores)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.53	2.75	0.21	-	-	-	3.49
(ii) Others	18.81	255.11	69.31	0.72	3.73	0.09	347.77
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>19.34</b>	<b>257.86</b>	<b>69.52</b>	<b>0.72</b>	<b>3.73</b>	<b>0.09</b>	<b>351.26</b>

## 27 OTHER FINANCIAL LIABILITIES ( CURRENT )

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
Unclaimed Dividend	0.95	1.29
Deposits from Customers	0.22	0.22
Payable for employee benefits	17.90	22.58
Payable for Capital Goods (refer note 26.1)	30.23	3.76
Amount payable on hedging transaction (refer note 20.2)	1.38	0.25
Others (Forward contract payable)	-	1.08
<b>Total</b>	<b>50.68</b>	<b>29.18</b>

## 28 OTHER CURRENT LIABILITIES

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>Other Payables</b>		
Statutory Dues (refer note 28.2 & 28.3)	19.82	24.53
Revenue received in advance (refer note 28.1)	0.97	7.69
Others (customer advances, etc.)	2.20	1.74
<b>Total</b>	<b>22.99</b>	<b>33.96</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 39(b).
- 28.2 It includes accumulated liability towards provident fund of ₹ 0.03 crores (P.Y. ₹ 0.03 crores) which will be paid off on linking of aadhar number of certain employees with the provident fund portal.
- 28.3 In the current year, GST liabilities and assets have been offset against each other. Accordingly, the figures for the previous year have been regrouped to align with the current year's presentation.

## 29 PROVISIONS ( CURRENT )

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>Provision for employee benefits</b> (refer note 48)		
Defined benefit plan	4.76	4.68
Leave benefits	3.85	4.31
Long-term bonus	-	0.75
<b>Other Provisions</b>		
Claims (refer note 29.1)	0.49	0.49
Provision for European commission fine (refer note 38)	128.54	125.62
<b>Total</b>	<b>137.64</b>	<b>135.85</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 crores)

Particulars	2024-2025	2023-2024
Opening balance	0.49	0.49
Less: utilisations *	-	-
<b>Closing balance</b>	<b>0.49</b>	<b>0.49</b>

\* Amount less than ₹ 0.5 lakhs in current year

## 30 REVENUE FROM OPERATIONS

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
Sale of products (refer note 30.1)	2,064.48	1,737.63
<b>Other operating revenues</b>		
Export benefits	30.40	37.77
Other operating revenues (Raw material, solvent, scrap sale, R&D revenue etc.)	16.09	9.71
	<b>46.49</b>	<b>47.48</b>
<b>Total Revenue from Operations</b>	<b>2,110.97</b>	<b>1,785.11</b>

### 30.1 Disclosure relating to disaggregation of revenue in terms of Ind AS-115

(₹ in crores)

Particulars	2024-2025			
	Branded Generics	Generics	APIs	Total
<b>A Domestic</b>	<b>2.58</b>	<b>-</b>	<b>38.16</b>	<b>40.74</b>
<b>B Exports</b>				
Americas	4.70	1,409.22	12.64	1,426.56
Europe	227.39	158.15	84.74	470.28
Africa	36.91	8.24	2.80	47.95
Asia (excluding India)	45.19	1.88	20.07	67.14
CIS	11.26	-	0.55	11.81
<b>Total B</b>	<b>325.45</b>	<b>1,577.49</b>	<b>120.80</b>	<b>2,023.74</b>
<b>Total (A+B)</b>	<b>328.03</b>	<b>1,577.49</b>	<b>158.96</b>	<b>2,064.48</b>

## Disclosure relating to disaggregation of revenue in terms of Ind AS-115

(₹ in crores)

Particulars	2023-2024			
	Branded Generics	Generics	APIs	Total
<b>A Domestic</b>	<b>0.89</b>	<b>-</b>	<b>40.08</b>	<b>40.97</b>
<b>B Exports</b>				
Americas	8.36	1,203.32	10.68	1,222.36
Europe	156.20	150.17	63.26	369.63
Africa	31.73	9.08	2.00	42.81
Asia (excluding India)	34.15	-	21.62	55.77
CIS	5.35	0.74	-	6.09
<b>Total B</b>	<b>235.79</b>	<b>1,363.31</b>	<b>97.56</b>	<b>1,696.66</b>
<b>Total (A+B)</b>	<b>236.68</b>	<b>1,363.31</b>	<b>137.64</b>	<b>1,737.63</b>

## 31 OTHER INCOME

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
Interest Income (refer note 31.1)	2.85	0.67
Dividend Income on investments measured at Fair value through Profit and loss *	-	-
Net gain on investments measured at Fair value through Profit and loss	9.26	6.47
Profit on sale of property, plant and equipment (net)	0.95	1.63
Other non-operating income [guarantee commission, notice pay, lease rent, etc. (net)]	0.70	0.42
Net gain on foreign currency translation and transactions	21.56	22.40
<b>Total</b>	<b>35.32</b>	<b>31.59</b>

\* Amount less than ₹ 0.5 lakhs

## 31.1 Details of interest income

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
Interest Income on financial assets measured at amortised cost / others	2.85	0.67

## 32 COST OF MATERIALS CONSUMED

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
Raw Materials	775.68	663.83
Packing Materials	112.56	99.00
<b>Total</b>	<b>888.24</b>	<b>762.83</b>

## CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
<b>Inventories at the Commencement</b>		
Finished Goods	311.77	226.16
Work-in-progress	102.73	81.38
	<b>414.50</b>	<b>307.54</b>
<b>Inventories at year end</b>		
Finished Goods	498.22	311.77
Work-in-progress	116.63	102.73
	<b>614.85</b>	<b>414.50</b>
(Increase) / Decrease in Finished Goods	(186.45)	(85.61)
(Increase) / Decrease in Work-in-progress	(13.90)	(21.35)
<b>Total change in inventory</b>	<b>(200.35)</b>	<b>(106.96)</b>

### 33 EMPLOYEE BENEFITS EXPENSE

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
Salaries and wages	371.31	366.22
Contribution to provident and other funds	20.07	25.51
Share-based payments to employees	2.11	3.08
Staff welfare expenses	8.72	8.39
<b>Total</b>	<b>402.21</b>	<b>403.20</b>

#### 33.1 Aggregate Employee Benefits Expense

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
Employee benefits expense (refer note 33)	402.21	403.20
Employee benefits expense (refer note 41)	0.33	-
<b>Total</b>	<b>402.54</b>	<b>403.20</b>

### 34 FINANCE COSTS

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
Interest cost on financial liabilities measured at amortised cost	18.01	20.15
Interest on lease	1.14	0.67
Interest others	1.55	1.33
Other borrowing costs (bank charges / fees, etc.)	0.33	0.51
<b>Total</b>	<b>21.03</b>	<b>22.66</b>

#### 34.1 AGGREGATE FINANCE COST

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
Finance cost (refer note 34)	21.03	22.66
Finance cost (refer note 41)	0.89	-
<b>Total</b>	<b>21.92</b>	<b>22.66</b>

### 35 OTHER EXPENSES

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
Consumption of Stores and Spares	23.48	20.29
Power and Fuel	108.16	107.14
Rent	1.76	1.55
Insurance	11.04	12.25
Repairs:		
- Plant and Machinery	15.64	13.83
- Buildings	3.16	2.55
- Others	39.45	41.77
Rates and Taxes	3.87	4.21
Advertising and sales promotion	16.82	21.52
Travelling and Conveyance	5.17	5.14
Freight outward	179.86	161.09
Directors' sitting fees	0.62	0.54
Commission on sales	5.33	1.31
Legal & Professional Expenses	37.20	34.17
Audit fees	2.83	2.12
Establishment and Administrative Expenses (refer note 35.1)	125.84	128.85
<b>Total</b>	<b>580.23</b>	<b>558.33</b>

## 35.1 Establishment and Administrative Expenses includes following major expenses :

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
Research and Development expenditure (Material, services, accessories, etc.)	18.51	25.14
Bio Equivalence Studies	5.43	6.08
Lab related expenses (Glass apparatus, chemicals, accessories, etc.)	24.64	19.17
Regulatory Fees	23.16	25.18

## 35.2 Exceptional Items - Expenses

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
Provision for European commission fine (refer note 38)	-	125.62
Net (gain) / loss on disposal of investment (refer note 35.2.1)	-	(64.79)
Net (gain) / loss on disposal of Property, Plant and Equipment	-	(3.22)
<b>Total</b>	<b>-</b>	<b>57.61</b>

35.2.1 The Company had sold equity shares held in Optimus Drugs Private Limited to Sekhmet Pharmaventures Private Limited as per the terms of Share Purchase Agreement, leading to a net profit of ₹ 64.79 crores.

## 36 OTHER COMPREHENSIVE INCOME

(₹ in crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024 (refer note 51)
A (i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	1.38	(0.28)
Equity instruments through other comprehensive income	-	-
(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)	-	-
B (i) Items that will be reclassified to profit or loss		
Exchange difference in translating the financial statements of foreign operations	(7.22)	(5.12)
Gain/ (Loss) on cash flow hedge	(1.13)	(0.25)
(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</b>	<b>(6.97)</b>	<b>(5.65)</b>

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

## A. Matters considered as contingent liability

(₹ in crores)

Particulars	2024-2025	2023-2024
(i) Claims not acknowledged as debts (refer note 37.1)	105.79	20.28
(ii) Other money for which the Group is contingently liable	3.96	5.15
(iii) Other bank guarantees (refer note 37.2)	7.31	6.92
(iv) Related to closure of Niche manufacturing facility (refer note 37.3)	4.43	-
<b>Total</b>	<b>121.49</b>	<b>32.35</b>

37.1 It mainly comprises of disputed tax matters towards GST and income tax. Further it includes ₹ 0.47 crores (P.Y. ₹ 0.84 crores) towards income tax / sales tax refund amount kept on hold, GST 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.

37.2 Bank Guarantees aggregating to ₹ 5.63 crores (P.Y. ₹ 2.21 crores) are fully secured against Fixed Deposits with Bank of India. 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. In respect of bank guarantee and letter of credit, the Company does not expect any cash outflow.

37.3 On 28th March 2025, the Holding Company had announced its intention of closure of manufacturing facility of its subsidiary Niche Generics (Niche) in Ireland. Estimated costs in connection with the closure is in range of ₹ 3.00- 4.00 crores (£0.3m-£0.4m). These have not been provided for in the consolidated financial statements as there was no detailed formal restructuring plan agreed at the year end date. At the year end, Niche has not concluded on its intention for the lease from which the manufacturing currently operates out of, and therefore the Holding Company and Niche is unable to reliably measure the cost of any potential dilapidations at the facility. Future cash outflow in respect of above matter is expected in the next year.

## B. Other liabilities which are remote in nature

- (i) Claims made by the parties and ex-employees of Holding Company 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.

**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. On 27th June 2024, the 'Court of Justice of the EU' have upheld the fine of Euro 13.96 million imposed by the 'General Court of the EU' on the Company and Niche and demand order is awaited.

Following the failure of appeals against the EU Commission judgements, 'Laboratories Servier' is being sued by the UK Health Authorities. Laboratories Servier has, during the year, filed a Part 20 (as per UK local laws) claim against Niche for a contribution towards any damages awarded by UK Health Authorities. The management have assessed the claim and in their opinion, Niche and Holding Company are not liable for such contribution. Management is yet to submit their defence but will challenge liability to make any contribution as well as the value of the contribution (which has yet to be quantified by Servier).

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 had made full provision towards EU fine which is disclosed under exceptional item. Outstanding provision based on the exchange rate as on 31st March 2025 is ₹ 128.54 crores [P.Y. ₹ 125.62 crores].

- 39** (a) Estimated amount of Contracts remaining to be executed (net of advances) on Capital account of ₹ 33.24 crores (P.Y. ₹ 46.28 crores) and on other purchase orders of ₹ 119.47 crores (P.Y. ₹ 167.69 crores) 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 31st March 2025 aggregate to ₹ 408.75 crores (P.Y. ₹ 266.90 crores).
  - (c) The Holding Company's intention is to continue to provide financial support to its subsidiaries [mainly Niche Generics Ltd and Unichem Farmaceutica Do Brasil Ltda].
  - (d) Subsequent to the year ended 31st March 2025, Holding Company has passed resolution to subscribe to the non-cumulative redeemable preference shares upto GBP 2 million (equivalent ₹ 22.14 crores) to be issued by Niche Generics Ltd, a wholly owned subsidiary.
  - (e) Subsequent to the year ended 31st March 2025, the Holding Company has passed resolution to provide corporate guarantee to bank of USD 50 million (equivalent ₹ 427.35 crores) on behalf of Unichem USA Inc., a wholly owned subsidiary for banking facilities availed by them.
- 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., were secured by way of first and exclusive charge on pledge against investments in mutual funds till July 2024.

During the year, charges were satisfied with Bank of India on stock and book debts.

Further, credit facilities availed by the Holding Company from Axis Bank and HDFC Bank are secured against hypothecation of stock and debtors.

ECB Term Loan availed by the Holding Company from Citibank N.A., Singapore during the year is secured by first pari-passu charge by way of hypothecation on movable Plant and Machinery, machinery spares, tools and accessories, non-tradable receivables and other movables, both present and future, at Holding Company's factories, premises and godown situated at Goa and Pithampur.

Additionally, all credit facilities have been registered with Registrar of Companies (ROC) within the prescribed due date.

Unichem Pharmaceuticals (USA), Inc. has a line of credit with Citibank, N.A. against eligible receivables and eligible inventory, net of certain caps as defined in the credit agreement. The line of credit was also collateralized by substantially all of the assets of Unichem Pharmaceuticals (USA) Inc.

**41. Expenditure incurred during the year and included in Property, Plant and Equipments and Capital work-in-progress is as follows:**

(₹ in crores)

Particulars	2024-2025	2023-2024
i) Power and fuel *	0.35	-
ii) Payroll expenses	0.33	-
iii) Insurance	0.06	-
iv) Travelling Expenses	0.03	-
v) Rent, Rates and Taxes *	-	-
vi) R&D Chemicals	0.01	-
vii) Administrative expenses	0.02	-
viii) Interest	0.89	-
ix) Others	0.12	-
<b>Total</b>	<b>1.81</b>	<b>-</b>

\* Amount less than ₹ 0.5 lakhs in previous year.

**42 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 crores)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March 2025		Changes in amount of fair value	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign currency risk Trade Receivables hedged by Forward Contracts	238.34	241.78	-	3.44	August 2025 to March 2026	Other Financial Asset
Cash flow hedge	38.39	-	39.77	(1.38)	April 2025 to September 2026	Other Financial Liability

Hedging Instrument and Hedge Item:

(₹ in crores)

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 Trade Receivables hedged by Forward Contracts	508.94	507.86	-	(1.07)	April 2024 to September 2024	Other Financial Liability
Cash flow hedge	63.89	-	64.14	(0.25)	April 2024 to September 2026	Other Financial Liability

i) The following are the outstanding forward contracts:

Currency	Buy / Sell	In Foreign Currency (in crores)		(₹ in crores)	
		As at 31st March 2025	As at 31st March 2024 (refer note 51)	As at 31st March 2025	As at 31st March 2024 (refer note 51)
USD	Sell	2.70	6.09	241.78	507.86

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 crores)		(₹ in crores)	
	As at 31st March 2025	As at 31st March 2024 (refer note 51)	As at 31st March 2025	As at 31st March 2024 (refer note 51)
A) Trade Receivables and Vendor advances				
Euro	0.35	0.21	31.83	18.65
CHF *	-	-	0.11	-
USD	-	-	-	-
GBP	-	-	-	-
ZAR	0.05	0.07	0.20	0.29
CAD	0.01	0.02	0.75	1.52
B) Trade Payables and Customer advances				
Euro	0.04	0.05	3.53	4.33
CHF	-	-	-	-
USD	0.31	0.21	26.47	17.31
GBP *	-	-	0.43	0.23
C) Borrowings				
USD (PCFC loan)	0.25	-	21.37	-
USD (ECB loan)	0.60	-	51.29	-
D) Short term provision [EU fine net of deposit - refer note 38]				
Euro	1.13	1.16	103.74	104.17

\* Amount less than 0.5 lakhs

#### 43 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 crores)

Particulars	2024-2025	2023-2024 (refer note 51)
<b>India</b>	<b>40.74</b>	<b>40.98</b>
<b>Outside India</b>	<b>2,023.74</b>	<b>1,696.65</b>
USA	1,325.42	1,085.92
Others	698.32	610.73
<b>Total</b>	<b>2,064.48</b>	<b>1,737.63</b>

Revenue from external customers is allocated based on the location of the customer.

(ii) Details of Products Sold:

(₹ in crores)

Particulars	2024-2025	2023-2024 (refer note 51)
Formulations	1,905.54	1,599.99
Bulk Drugs and Chemicals	158.94	137.64
<b>Total</b>	<b>2,064.48</b>	<b>1,737.63</b>

(iii) Non-current assets:

(₹ in crores)

Particulars	As at 31st March 2025	As at 31st March 2024 (refer note 51)
<b>India</b>	<b>1,453.18</b>	<b>1,411.12</b>
<b>Outside India</b>	<b>52.47</b>	<b>110.36</b>
USA	20.26	77.61
Others	32.21	32.75
<b>Total</b>	<b>1,505.65</b>	<b>1,521.48</b>

(iv) Major customers

During the year, the Group has three external customer amounting to ₹ 723.22 crores (35%) which accounts for more than 10% of the Group's total revenue for the year ended 31st March 2025. In the previous year, the Group had three external customer amounting to ₹ 588.19 crores (35%) which accounts for more than 10% of the Group's total revenue for the year ended 31st March 2024.

**44 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>  Uni - Distributors Pvt. Ltd. (upto 10th August 2023)  Adiwasi Unnati Mandal  Uni Trust (upto 10th August 2023)  Prakash Amrut Mody - Suparna Mody (Promoter Trust)  Prakash Amrut Mody - Supriya Mody (Promoter Trust)  Prakash Amrut Mody - Shwetambari Mody (Promoter Trust)  Resonance Specialties Limited</p>	<p><b>(ii) Key management personnel and their relatives: (disclosed to the extent of transactions)</b>    Dr. Prakash A. Mody (Chairman) *  Mrs. Anita Mody (Spouse of Chairman)  Ms. Supriya Mody (Daughter of Chairman) (upto 15th May 2023)  Ms. Suparna Mody (Daughter of Chairman)  Mr. Dilip J. Kunkolienkar (Director - Technical) (upto 10th August 2023)  Mr. Pabitrakumar Bhattacharyya (Managing Director) (w.e.f. 10th August 2023)  * Dr. Prakash A. Mody was both Chairman &amp; Managing Director upto 10th August 2023.</p>
<p><b>(iii) Independent Directors:</b>  Ms. Priti Puri  Mr. Anand Y. Mahajan (upto 31st March 2024)  Mr. Prafull Anubhai (upto 31st March 2024)  Mr. Prafull D. Sheth (upto 31st March 2024)  Mr. Arun Tadarwal (w.e.f. 5th February 2024)  Mr. Anand Kusre (w.e.f. 5th February 2024)</p>	<p><b>(iv) Post-employment benefit plans:</b>  Unichem Laboratories Ltd- Employees Gratuity Fund  Unichem Laboratories Ltd- Employees Superannuation Fund</p>
<p><b>(v) Key management personnel and their relatives as per Companies Act, 2013:</b>  Dr. Prakash A. Mody (Chairman &amp; Managing Director) (upto 10th August 2023)  Mr. Pradeep Bhandari (Head- Legal &amp; Company Secretary)  Mr. Sandip Ghume (Dy. Chief Financial Officer upto 30th June 2024)  Mr. Sanjay Jain (Chief Financial Officer w.e.f. 8th August 2024)  Mr. Pabitrakumar Bhattacharyya (Managing Director) (w.e.f. 10th August 2023)</p>	<p><b>(vi) Enterprises exercising control:</b>    Ipca Laboratories Ltd. (w.e.f. 10th August 2023)</p>
<p><b>(vii) Non-Executive Directors:</b>  Dr. Prakash A. Mody (w.e.f. 10th August 2023)</p>	<p><b>(viii) Sister Concern (disclosed to the extent of transactions):</b>  Bayshore Pharmaceutical (subsidiary of Ipca Laboratories Ltd)  Pisgah Laboratories Inc., USA (subsidiary of Ipca Laboratories Ltd)</p>

**b) Disclosure of related party transactions (excluding indirect taxes):**

(₹ in crores)

Particulars	2024-2025	2023-2024 (refer note 51)
i) Purchase of Materials Ipca Laboratories Ltd Pisgah Laboratories Inc., USA	78.41 0.47 <b>78.88</b>	4.48 - <b>4.48</b>
ii) Purchase of Capital Items Ipca Laboratories Ltd Resonance Specialties Limited Bayshore Pharmaceuticals LLC.	0.60 0.14 22.38 <b>23.12</b>	0.16 - - <b>0.16</b>
iii) Purchase of Business Bayshore Pharmaceuticals LLC.	84.45 <b>84.45</b>	- -
iv) Sale of Raw Materials Ipca Laboratories Ltd	0.13 <b>0.13</b>	0.30 <b>0.30</b>
v) Sale of Capital Items Ipca Laboratories Ltd	4.80 <b>4.80</b>	- -
vi) Sale of Scrap Ipca Laboratories Ltd	0.66 <b>0.66</b>	1.41 <b>1.41</b>
vii) Reimbursements from parent concern Ipca Laboratories Ltd	0.07 <b>0.07</b>	- -
viii) Guarantees to banks - including renewal / (reduced) From Parent Company Bayshore Pharmaceuticals LLC.	- -	37.53 <b>37.53</b>
ix) Rent & Maintenance Paid Relative of Key Management Personnel Mrs. Anita Mody Enterprise under significant influence of Key Management Personnel Uni - Distributors Pvt. Ltd. Uni Trust Enterprises exercising control: Ipca Laboratories Ltd	- - - 0.97 <b>0.97</b>	0.08 0.07 0.05 - <b>0.20</b>
x) Rent & Maintenance income Enterprises exercising control: Ipca Laboratories Ltd	0.24 <b>0.24</b>	- -
xi) Repayment of deposits from Relative of Key Management Personnel Mrs Anita Mody Enterprise under significant influence of Key Management Personnel Uni - Distributors Pvt. Ltd. Uni Trust	- - - -	0.46 0.05 0.02 <b>0.53</b>
xii) Managerial remuneration (including defined contribution plan) Key Management Personnel Dr. Prakash A. Mody Mr. Dilip J. Kunkolienkar Mr. Pabitrakumar Bhattacharyya	- - 3.07 <b>3.07</b>	11.76 2.88 1.88 <b>16.52</b>
xiii) Salary (including defined contribution plan) Relative of Key Management Personnel Ms. Supriya Mody	- -	0.67 <b>0.67</b>

**b) Disclosure of related party transactions (excluding indirect taxes):**

(₹ in crores)

Particulars	2024-2025	2023-2024 (refer note 51)
xiv) Expenses Reimbursement (Establishment, administrative & welfare expenses)		
Parent		
Ipca Laboratories Ltd.	10.91	9.81
Independent Directors		
Mr. Prafull Anubhai *	-	0.00
Mr. Prafull D. Sheth *	-	0.00
Subsidiary of parent :		
Bayshore Pharmaceuticals LLC.	-	0.03
	<b>10.91</b>	<b>9.85</b>
xv) Sitting Fees		
Directors		
Dr. Prakash A. Mody	0.06	0.01
Mr. Pranay Godha	0.09	0.03
Mr. Anand Kurse	0.17	0.01
Mr. Arun Tadarwal	0.17	0.01
Ms. Priti Puri	0.14	0.09
Mr. Anand Y. Mahajan	-	0.13
Mr. Prafull Anubhai	-	0.14
Mr. Prafull D. Sheth	-	0.12
	<b>0.63</b>	<b>0.54</b>
xvi) Sale of Assets		
Key Management Personnel & Relatives		
Dr. Prakash A. Mody	-	1.02
Ms Supriya Mody	-	0.08
Mr. Dilip J. Kunkolienkar	-	0.12
Uni - Distributors Pvt. Ltd.	-	4.38
	-	<b>5.61</b>
xvii) Profit Sharing (grouped under material consumption)		
Enterprises exercising control:		
Ipca Laboratories Ltd	2.49	-
	<b>2.49</b>	-

\* Amount less than ₹ 0.5 lakhs in previous year

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

(₹ in crores)

Particulars	2024-2025	2023-2024 (refer note 51)
i) Trade Receivables		
Ipca Laboratories Ltd.	1.12	1.76
	<b>1.12</b>	<b>1.76</b>
ii) Other Receivables		
Ipca Laboratories Ltd.	0.06	-
	<b>0.06</b>	-
iii) Trade Payables		
Ipca Laboratories Ltd.	56.98	3.84
	<b>56.98</b>	<b>3.84</b>

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

(₹ in crores)

Particulars	2024-2025	2023-2024 (refer note 51)
Post-employment benefit plans		
Unichem Laboratories Ltd. - Employees Gratuity Fund	1.12	10.50
Unichem Laboratories Ltd. - Employees Superannuation Fund	0.41	0.66
	<b>1.53</b>	<b>11.16</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 crores)

Particulars	2024-2025	2023-2024 (refer note 51)
i) Salary (including defined contribution plan)		
Key Management Personnel		
Mr. Pradeep Bhandari	1.07	0.98
Mr. Sandip Ghume	0.39	0.79
Mr. Sanjay Jain	0.56	-
	<b>2.02</b>	<b>1.77</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. These employee benefits are lump sum amounts provided on the basis of actuarial valuation and the same is not included above. Further, it also does not include actual payments of gratuity and leave encashment. Also, re-imbursement 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.

#### 45 EARNINGS PER EQUITY SHARE [EPS]

Particulars		2024-2025	2023-2024 (refer note 51)
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	2,15,562	-
Weighted average number of equity shares for diluted EPS (B)	Nos	7,06,21,312	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)	₹ in crores	137.52	(93.76)
Earnings per equity share			
Basic (C/A)	₹	19.53	(13.32)
Diluted (C/B)	₹	19.47	(13.32)

Note: In respect of previous year, ESOPs are anti-dilutive and therefore, not considered for calculation of diluted earning per share. Also refer note 49 to consolidated financial statements for restated EPS on account of business acquisition under common control.

- 46** The subsidiaries (Niche Generics Ltd., Unichem China Pvt. Ltd. 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. The management of the Holding Company is of the view that performance of the subsidiaries is improving and will turnaround and in case of China Subsidiary it is at nascent stage.

#### 47 LEASE

Disclosure as per Ind AS 116 'Leases' is as given below. Also, refer note 2.17 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 ₹ 0.31 crores (P.Y. ₹ 0.26 crores) and is grouped under note 35 (establishment and administrative expenses).

(₹ in crores)

The details of outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows	2024-2025	2023-2024 (refer note 51)
Lease payment not later than one year	0.19	0.12
Lease Payment later than one year and not later than five years	0.21	0.01
Lease Payment later than five years	-	-
<b>Total</b>	<b>0.40</b>	<b>0.13</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 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 ₹ 1.11 crores (P.Y. ₹ 0.91 crores) and is grouped under note 35 (establishment & administrative expenses).

c) Disclosure with respect to lease under Ind AS - 116 leases:

(₹ in crores)

Particulars	2024-2025	2023-2024 (refer note 51)
Interest expense on lease liabilities (refer note 34)	1.14	0.67
Lease expenses in case of short term leases (refer note 47 (b))	1.11	0.91
Lease expenses in case of low value leases (other than short term as disclosed above) (refer note 47 (a))	0.31	0.26
Lease payments debited to lease liabilities	5.90	5.39
<b>Total cash outflow for leases [including short term and low value leases]</b>	<b>8.46</b>	<b>7.23</b>
Additions to ROU assets	5.23	16.96

d) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March 2025 and 31st March 2024 on an undiscounted basis:

(₹ in crores)

Particulars	2024-2025	2023-2024 (refer note 51)
Lease payment not later than one year	7.22	5.31
Lease Payment later than one year and not later than five years	20.47	17.16
Lease Payment later than five years	21.41	25.35
<b>Total</b>	<b>49.10</b>	<b>47.82</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).

**48 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 crores)

Particulars	As at 31st March 2025			As at 31st March 2024 (refer note 51)		
	Current Liability	Non-Current Liability	Net Liability	Current Liability	Non-Current Liability	Net Liability
Gratuity	4.76	11.51	<b>16.27</b>	4.68	8.62	<b>13.30</b>
Leave entitlements	3.85	26.35	<b>30.20</b>	4.31	27.18	<b>31.49</b>
Long term Bonus	-	-	-	0.75	-	<b>0.75</b>
<b>Net Liability</b>	<b>8.61</b>	<b>37.86</b>	<b>46.47</b>	<b>9.74</b>	<b>35.80</b>	<b>45.54</b>

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

Particulars	Gratuity	
	2024-2025	2023-2024 (refer note 51)
Discount rate	6.75%	7.20%
Salary growth rate	9.00%	9.00%
Expected rate of return on Plan assets	6.75%	7.20%
Withdrawal rate	15% at younger ages reducing to 2% p.a. at older ages	15% at younger ages reducing to 2% p.a. 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 crores)

Particulars	Gratuity	
	As at 31st March 2025	As at 31st March 2024 (refer note 51)
Present value of funded obligations	36.66	34.52
Fair value of plan assets	20.39	21.22
<b>Net Liability (Asset)</b>	<b>16.27</b>	<b>13.30</b>

## Amount charge to statement of Profit and loss:

(₹ in crores)

Particulars	Gratuity	
	2024-2025	2023-2024 (refer note 51)
Current service cost	4.68	4.43
Net interest cost	0.79	1.16
<b>Total Charge to statement of P&amp;L (included in employee benefit expense)</b>	<b>5.47</b>	<b>5.59</b>

## Amount charged to Other Comprehensive Income:

(₹ in crores)

Particulars	Gratuity	
	2024-2025	2023-2024 (refer note 51)
Components of actuarial gain/(loss) on obligations:		
Due to Change in financial assumptions	1.29	0.54
Due to change in demographic assumption	-	-
Due to experience adjustments	(2.38)	0.33
Return on plan assets excluding amounts included in interest income	(0.29)	(0.59)
<b>Amounts recognised in Other Comprehensive Income</b>	<b>(1.38)</b>	<b>0.28</b>

## Reconciliation of defined benefit obligation:

(₹ in crores)

Particulars	Gratuity	
	2024-2025	2023-2024 (refer note 51)
<b>Opening Defined Benefit Obligation</b>	<b>34.53</b>	<b>38.27</b>
Current service cost	4.68	4.43
Interest cost	2.37	2.41
Actuarial loss/(gain) due to change in financial assumptions	1.29	0.54
Due to change in demographic assumption	-	-
Actuarial loss/ (gain) due to experience adjustments	(2.39)	0.33
Benefits paid	(3.81)	(11.45)
<b>Closing Defined Benefit Obligation</b>	<b>36.67</b>	<b>34.53</b>

## Reconciliation of plan assets:

(₹ in crores)

Particulars	Gratuity	
	2024-2025	2023-2024 (refer note 51)
<b>Opening value of plan assets</b>	<b>21.22</b>	<b>20.34</b>
Interest Income	1.58	1.24
Return on plan assets excluding above	0.28	0.59
Contributions by employer	1.12	10.50
Benefits paid	(3.81)	(11.45)
<b>Closing value of plan assets</b>	<b>20.39</b>	<b>21.22</b>

## Sensitivity analysis:

Assumptions	Change in assumptions		Increase/(decrease) in defined benefit obligation	
	Increase/decrease	Percentage	2024-2025	2023-2024 (refer note 51)
Discount rate	Increase by	0.5%	-3.89%	-3.86%
	Decrease by	0.5%	4.17%	4.13%
Salary growth rate	Increase by	0.5%	4.06%	4.03%
	Decrease by	0.5%	-3.83%	-3.81%
Withdrawal rate	Increase by	10%	-0.94%	-0.81%
	Decrease by	10%	1.02%	0.88%

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 effect on the defined benefit obligation.

Expected contribution and weighted average duration for defined benefit obligation

Particulars	2024-2025	2023-2024 (refer note 51)
Expected contribution for the next year (₹ crores)	4.76	4.68
Weighted average duration for defined benefit obligation (years)	7.69	7.76

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.

#### 49 SHARE BASED PAYMENT PLANS (ESOP)

(i) During the year ended 31st March 2025 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	
	2024-2025	2023-2024 (refer note 51)
Option outstanding at the beginning of the year (Nos.)	5,00,000	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>5,00,000</b>
Vested and exercisable at the end of the year (Nos.)	-	-
Weighted Average Exercise Price (₹)	370	370
Weighted Average Fair Value of Option at the measurement date * (₹)	122	122

\*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 Holding Company. Further, the Holding Company had 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	
				2024-2025	2023-2024 (refer note 51)
1st July 2023	30th September 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>

(iv) Expense arising from share-based payment transactions

Expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in crores)

Particulars	2024-2025	2023-2024 (refer note 51)
Employee stock option plan	2.12	3.08
<b>Total</b>	<b>2.12</b>	<b>3.08</b>

## 50 RESEARCH & DEVELOPMENT EXPENDITURE

i) Total Research and Development expenditure including amount incurred at units approved by Department of Scientific & Industrial Research:

(₹ in crores)

Particulars	2024-2025	2023-2024 (refer note 51)
Materials	28.26	35.86
Salaries, wages and Ex-gratia	28.52	31.59
Contribution to Provident fund and other Funds	2.09	2.28
Employee's welfare expenses	0.49	0.56
Rent	0.12	0.05
Insurance	0.32	0.44
Rates and Taxes	0.16	0.16
Repairs:		
- Plant and machinery	1.47	0.53
- Others	1.50	2.86
Power and fuel	2.63	3.23
Travelling and conveyance	0.24	0.21
Legal & Professional Expenses	2.71	3.33
Others (depreciation, bioequivalence studies, etc.)	21.49	23.57
<b>Total</b>	<b>90.00</b>	<b>104.67</b>

ii) Research and Development expenditure at units approved by Department of Scientific & Industrial Research included in Total Research and Development expenditure (refer note 50 (i))

(₹ in crores)

Particulars	2024-2025	2023-2024 (refer note 51)
Materials	15.51	24.07
Salaries, wages and Ex-gratia	28.46	31.22
Contribution to Provident fund and other Funds	2.09	2.26
Employee's welfare expenses	0.49	0.55
Rent	0.12	0.03
Insurance	0.21	0.32
Rates and Taxes	0.16	0.16
Repairs:		
- Plant and machinery	1.47	0.51
- Others	1.50	2.85
Power and fuel	2.57	2.90
Travelling and conveyance	0.23	0.21
Legal & Professional Expenses	2.71	3.33
Others (depreciation, bioequivalence studies, etc.)	17.36	19.32
<b>Total</b>	<b>72.88</b>	<b>87.73</b>

## 51 BUSINESS COMBINATIONS DURING THE YEAR

During the year ended 31st March 2025, the wholly owned subsidiary "Unichem Pharmaceutical (USA), Inc." has entered into an agreement with Bayshore Pharmaceuticals LLC, USA ("Bayshore USA") (wholly owned step-down subsidiary of Ipca Laboratories Limited, Company's Ultimate holding company) for purchase of USA generics formulations marketing/distribution business of Bayshore USA as a going concern through slump sale/transfer of entire business (debt free) and all goodwill associated with the business.

Consequently, in accordance with Appendix C of Ind AS 103 'Business Combinations', the Holding Company has restated the reported results of previous period to include Bayshore USA transactions from the date of common control of Ipca Laboratories Limited. Further, these restated comparatives and results upto the date of agreement (1st October 2024) are based on the management certified figures.

The additional consideration for purchase of business i.e. the excess of consideration paid against the net assets of the line of business purchased is accounted as debit balance in capital reserve.

The carrying value of the identifiable assets and liabilities as at the date of acquisition were:

Particulars	(₹ in crores)
Total Assets acquired	65.85
Total Liabilities acquired	55.33
<b>Total Identifiable Net Assets Acquired</b>	<b>10.52</b>
Consideration Paid	84.45
<b>Capital reserve recognized</b>	<b>(73.93)</b>

The Summarised reconciliation of the reported and restated financial statements of the above scheme are as below:

### Consolidated Statement of Profit & Loss

(₹ in crores)

Particulars	Year ended 31st March 2024	
	Reported	Restated
Revenue from operations	1,704.89	1,785.11
Profit/ (loss) before tax	(61.67)	(84.96)
Profit / (loss) after tax	(70.47)	(93.76)
Total comprehensive Income	(75.95)	(99.41)
Basic EPS (in ₹)	(10.01)	(13.32)
Diluted EPS (in ₹)	(10.01)	(13.32)

### Consolidated Balance Sheet

(₹ in crores)

Particulars	Year ended 31st March 2024	
	Reported	Restated
(i) Non-current Assets	1,475.18	1,531.63
(ii) Current Assets	1,694.16	1,743.32
<b>Total Assets</b>	<b>3,169.34</b>	<b>3,274.95</b>
(i) Total Equity (Including Fair Value Adjustment Reserve)	2,362.42	2,438.30
(ii) Non-Current Liabilities	99.04	99.05
(iii) Current Liabilities	707.88	737.60
<b>Total Equity &amp; Liabilities</b>	<b>3,169.34</b>	<b>3,274.95</b>

### Consolidated Statement of Cash flow

(₹ in crores)

Particulars	Year ended 31st March 2024	
	Reported	Restated
Net cash generated from / (used in) Operating Activities	16.69	14.00
Net cash generated from / (used in) Investing Activities	50.40	50.40
Net cash generated from / (used in) Financing Activities	(106.31)	(106.31)

## 52 FINANCIAL INSTRUMENTS

i) The carrying value and fair value of financial instruments by category is as follows:

(₹ in crores)

Particulars	As at 31st March 2025		As at 31st March 2024 (refer note 51)	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:*</b>				
<b>Amortised cost</b>				
Cash and cash equivalents	27.20	27.20	28.02	28.02
Other bank balances	28.05	28.05	3.41	3.41
Trade receivables	778.81	778.81	642.31	642.31
Loans	0.20	0.20	0.17	0.17
Other Financial Assets	9.66	9.66	6.14	6.14
<b>Fair value through profit or loss</b>				
Investments in mutual funds (including Cash and cash equivalents)	62.38	62.38	128.07	128.07
Investments in equity instruments	0.02	0.02	0.02	0.02
Derivative Instruments	3.44	3.44	-	-
<b>Fair value through OCI</b>				
Investments in equity instruments	-	-	-	-
<b>Total</b>	<b>909.76</b>	<b>909.76</b>	<b>808.14</b>	<b>808.14</b>
<b>Financial liabilities :</b>				
<b>Amortised cost</b>				
Borrowings	429.97	429.97	219.15	219.15
Lease liabilities	29.80	29.80	28.37	28.37
Trade payables	402.55	402.55	351.26	351.26
Other financial liabilities	49.30	49.30	27.85	27.85
<b>Fair value through profit or loss</b>				
Derivative Instruments	1.38	1.38	1.33	1.33
<b>Total</b>	<b>913.00</b>	<b>913.00</b>	<b>627.96</b>	<b>627.96</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 2025

(₹ in crores)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment in equity instruments	-	-	0.02	0.02
Investments in mutual funds	62.38	-	-	62.38
Derivative Instruments gain / (loss)	-	3.44	-	3.44
<b>Financial Liabilities</b>				
Derivative Instruments gain / (loss)	-	(1.38)	-	(1.38)

## Fair value hierarchy as at 31st March 2024

(₹ in crores)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment in equity instruments	-	-	0.02	0.02
Investments in mutual funds	128.07	-	-	128.07
<b>Financial Liabilities</b>				
Derivative Instruments gain / (loss)	-	(1.33)	-	(1.33)

**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) from non-derivative financial instruments:

(₹ in crores)

As at 31st March 2025	USD	Euro	Others*	Total
<b>Assets</b>				
Trade Receivables and vendor advances	241.78	31.83	1.06	274.67
<b>Total</b>	<b>241.78</b>	<b>31.83</b>	<b>1.06</b>	<b>274.67</b>
<b>Liabilities</b>				
Trade Payables and customer advances	26.47	3.53	0.43	30.43
Borrowings	112.43	-	-	112.43
Short term provision [EU fine net of deposit - refer note 38]	-	103.74	-	103.74
<b>Total</b>	<b>138.90</b>	<b>107.27</b>	<b>0.43</b>	<b>246.60</b>
<b>Net Assets / (Liabilities)</b>	<b>102.88</b>	<b>(75.44)</b>	<b>0.63</b>	<b>28.07</b>

\* Others mainly include currency namely GBP, ZAR, CAD & CHF

(₹ in crores)

As at 31st March 2024 (refer note 51)	USD	Euro	Others**	Total
<b>Assets</b>				
Trade Receivables and vendor advances	507.86	18.65	1.81	528.32
<b>Total</b>	<b>507.86</b>	<b>18.65</b>	<b>1.81</b>	<b>528.32</b>
<b>Liabilities</b>				
Trade Payables and customer advances	17.31	4.33	0.23	21.87
Borrowings	64.14	-	-	64.14
Short term provision [EU fine net of deposit - refer note 38]	-	104.17	-	104.17
<b>Total</b>	<b>81.45</b>	<b>108.50</b>	<b>0.23</b>	<b>190.18</b>
<b>Net Assets / (Liabilities)</b>	<b>426.41</b>	<b>(89.85)</b>	<b>1.58</b>	<b>338.14</b>

\*\* Others mainly include currency namely GBP, ZAR & CAD

### Sensitivity analysis

(₹ in crores)

Particulars	Foreign Currency Sensitivity					
	As at 31st March 2025			As at 31st March 2024 (refer note 51)		
	USD	Euro	Others	USD	Euro	Others
1% Appreciation in INR Impact on Profit & Loss	(1.03)	0.75	(0.01)	(4.26)	0.90	(0.02)
1% Depreciation in INR Impact on Profit & Loss	1.03	(0.75)	0.01	4.26	(0.90)	0.02

### 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 2025. 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 crores)

As at 31st March 2025	In 1 year	More than 1 year	Total
Trade Payable	402.55	-	402.55
Borrowings	369.16	60.81	429.97
Lease liabilities	4.61	25.19	29.80
Other financial liabilities	50.68	-	50.68
<b>Total</b>	<b>827.00</b>	<b>86.00</b>	<b>913.00</b>

(₹ in crores)

As at 31st March 2024 (refer note 51)	In 1 year	More than 1 year	Total
Trade Payable	351.26	-	351.26
Borrowings	180.93	38.22	219.15
Lease liabilities	4.21	24.16	28.37
Other financial liabilities	29.18	-	29.18
<b>Total</b>	<b>565.58</b>	<b>62.38</b>	<b>627.96</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 2025 and 31st March 2024.

## 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 2025

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 crores	As % of consolidated profit or loss	₹ in crores	As % of consolidated other comprehensive income	₹ in crores	As % of consolidated total comprehensive income	₹ in crores
<b>Parent</b>								
Unichem Laboratories Ltd.	100.4%	2,459.75	118.5%	162.96	-1.4%	0.10	124.9%	163.06
<b>Subsidiaries</b>								
<b>Foreign</b>								
Niche Generics Limited.	-0.3%	(8.27)	-3.0%	(4.19)	4.4%	(0.31)	-3.4%	(4.49)
Unichem SA Pty Ltd.	0.1%	2.76	-0.1%	(0.07)	-2.3%	0.16	0.1%	0.09
Unichem Farmaceutica Do Brasil Ltda	-0.6%	(14.48)	-10.0%	(13.81)	-3.6%	0.25	-10.4%	(13.56)
Unichem Pharmaceuticals (USA) Inc.	9.4%	230.23	38.1%	52.38	-94.0%	6.55	45.1%	58.92
Unichem Laboratories Limited. (Incorporated in Ireland)	0.0%	0.68	0.8%	1.13	-0.1%	0.01	0.9%	1.14
Unichem (China) Pvt Ltd.	0.0%	0.32	-0.6%	(0.88)	-0.1%	0.01	-0.7%	(0.87)
<b>Associate</b>								
Synchron Research Pvt Ltd.	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Consolidation Adjustments	-9.0%	(220.40)	-43.6%	(60.00)	197.1%	(13.74)	-56.5%	(73.74)
<b>Total</b>	<b>100%</b>	<b>2,450.59</b>	<b>100%</b>	<b>137.52</b>	<b>100%</b>	<b>(6.97)</b>	<b>100%</b>	<b>130.55</b>

Note:

- The amounts given in the table above are from the annual accounts made for the financial year ended 31st March 2025 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 2025.
- Consolidation Adjustments include transactions of Bayshore business upto the date of agreement.

**(b) As at and for the year ended 31st March 2024 (refer note 51)**

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 crores	As % of consolidated profit or loss	₹ in crores	As % of consolidated other comprehensive income	₹ in crores	As % of consolidated total comprehensive income	₹ in crores
<b>Parent</b>								
Unichem Laboratories Ltd.	94.1%	2,294.63	98.3%	(92.18)	9.4%	(0.53)	93.3%	(92.71)
<b>Subsidiaries</b>								
<b>Foreign</b>								
Niche Generics Limited.	-0.2%	(3.78)	-6.1%	5.76	4.1%	(0.23)	-5.6%	5.54
Unichem SA Pty Ltd.	0.1%	2.67	0.4%	(0.39)	3.0%	(0.17)	0.6%	(0.56)
Unichem Farmaceutica Do Brasil Ltda	0.0%	(0.91)	-8.1%	7.55	4.8%	(0.27)	-7.3%	7.28
Unichem Pharmaceuticals (USA) Inc.	12.4%	302.35	-4.2%	3.97	-49.2%	2.78	-6.8%	6.74
Unichem Laboratories Limited. (Incorporated in Ireland)	0.0%	(0.46)	-1.2%	1.13	0.0%	-	-1.1%	1.13
Unichem (China) Pvt Ltd.	0.0%	0.35	2.1%	(1.94)	1.2%	(0.07)	2.0%	(2.01)
<b>Associate</b>								
Synchron Research Pvt Ltd.	0.0%		0.0%	-	0.0%	-	0.0%	-
Consolidation Adjustments	-6.4%	(156.55)	18.8%	(17.66)	126.7%	(7.16)	25.0%	(24.82)
<b>Total</b>	<b>100%</b>	<b>2,438.30</b>	<b>100%</b>	<b>(93.76)</b>	<b>100%</b>	<b>(5.65)</b>	<b>100%</b>	<b>(99.41)</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.

**55** As on 31st March 2025, 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 and its Subsidiaries have not advanced any funds or loaned or invested 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 and its Subsidiaries (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

The Holding Company and its Subsidiaries have 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 2025 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 2025

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

**Pranay Godha**

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

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sanjay Jain**

Chief Financial Officer (Membership no. ACA 110009)

**Pradeep Bhandari**

Head - Legal & Company Secretary (Membership no. ACS 14177)

## 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 crores)

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 2025	31st March 2025	31st March 2025	31st March 2025	31st March 2025	31st March 2025
4	Reporting currency	BRL	EURO	USD	GBP	ZAR	RMB
5	Exchange rate as on the last date of the relevant financial Year	1 BRL = ₹ 14.68	1 EURO = ₹ 92.07	1 USD = ₹ 85.47	1 GBP = ₹ 110.68	1 ZAR = ₹ 4.50	1 RMB = ₹ 11.77
6	Share Capital	44.24	25.41	63.73	62.26	0.09	8.33
7	Reserves & Surplus	(58.71)	(24.74)	166.50	(70.53)	2.68	(8.01)
8	Total Assets	32.92	2.92	1,050.12	60.83	8.19	0.42
9	Total Liabilities	47.39	2.24	819.88	69.11	5.43	0.09
10	Investments	-	-	-	-	-	-
11	Turnover	64.60	8.60	1,361.86	87.62	12.93	0.49
12	Profit/ (Loss) before Taxation	(13.69)	1.13	56.35	(4.19)	(0.09)	(0.88)
13	Provision for Taxation	(0.12)	-	(17.21)	-	0.02	-
14	Profit/ (Loss) after Taxation	(13.81)	1.13	39.14	(4.19)	(0.07)	(0.88)
15	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil
16	% of share holding	100	100	100	100	100	100

Notes:

- 1 Name of Subsidiaries which are yet to commence operations : None
- 2 Names of Subsidiaries which have been liquidated or sold during the year: The Company has sold its 100% equity shares in its subsidiary Unichem Laboratories Ltd., Ireland to its parent Company Ipca Laboratories Ltd. post 31st March 2025.
- 3 The amounts given in the table above are from the annual accounts made for the respective financial year end for each of the companies.
- 4 The Indian rupee equivalents of the figures in serial no. 6 to 9 are given based on the exchange rates as on 31st March 2025 and the Indian rupee equivalents of the figures in serial no. 11 to 14 are given based on the yearly average exchange rates.
- 5 Turnover figures do not include Other Income. Profit/ (Loss) figures do not include Other Comprehensive Income.

### Part "B": Associates and Joint Ventures

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

1	Name of the Associate	Synchron Research Services Private Limited
2	Latest audited Balance Sheet Date	31st March 2024
3	Shares of Associate held by the company on the year end: No. of shares Amount of investment in Associates (Net of provision of impairment) Extent of Holding %	2,08,333 Nil 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	₹ (1.06) crores
7	Profit/Loss for the year: i. Considered in Consolidation (as per unaudited financial statements for FY 2024-25) ii. Not considered in Consolidation	Nil. Also refer para 10 of 'Independent Auditor's Report on the Audit of the Consolidated Financial Statement'. Not Applicable

Notes:

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

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

**Pranay Godha**

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

**Pabitrakumar Bhattacharyya**

Managing Director (DIN: 07131152)

**Sanjay Jain**

Chief Financial Officer (Membership no. ACA 110009)

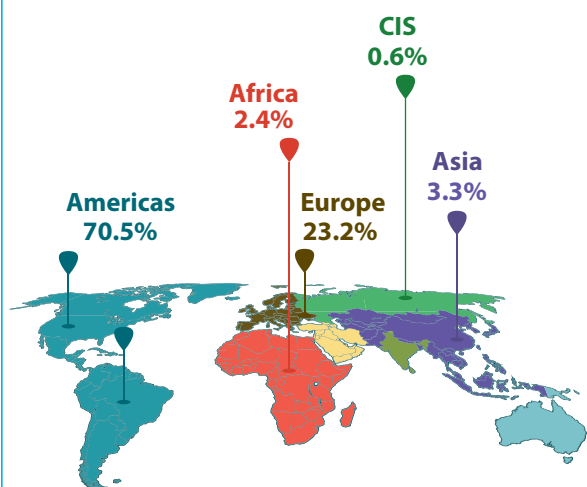
**Pradeep Bhandari**

Head - Legal & Company Secretary (Membership no. ACS 14177)

Place: Mumbai

Date: 22nd May 2025

## EXPORTS BY REGION



## SHAREHOLDING PATTERN

70.2%

Promoter

16.4%

Public

9.9%

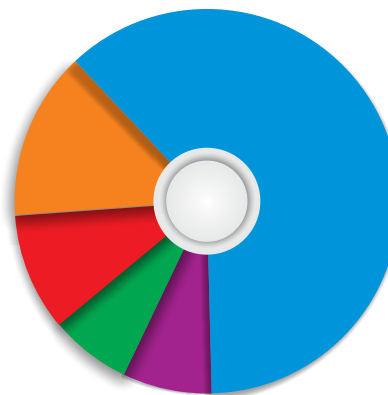
Mutual Funds

1.6%

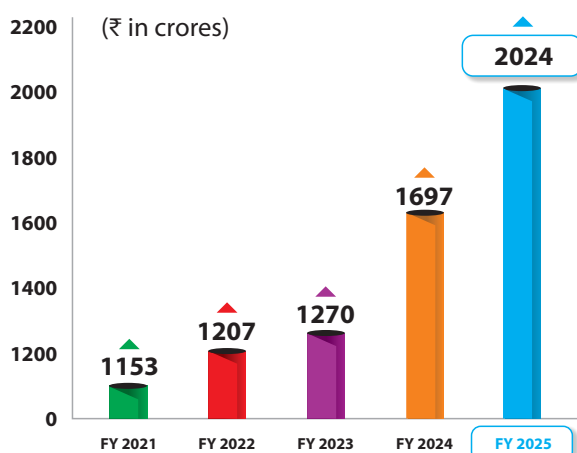
FPIs / NRIs

1.9%

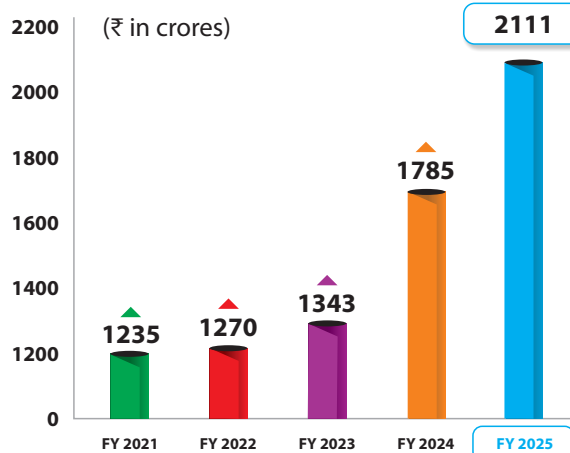
Others



## CONSOLIDATED EXPORTS



## CONSOLIDATED 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, 15 to 18 & 17(A)  
Pilerne Industrial Estate  
Pilerne, Bardez - 403 511, Goa

#### BADDI

Bhatauli Kalan  
District Solan, Baddi - 173205  
Himachal Pradesh

## Research and Development Centre

#### GOA

Plot No.12 to 14,  
Pilerne Industrial Estate  
Pilerne, Bardez - 403 511, Goa



**UNICHEM**  
**LABORATORIES LTD.**

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Kandivli (West), Mumbai – 400 067  
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