UNICHEM LABORATORIES LTD.

12th July, 2022

Department of Corporate Services Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy owers, Dalal Street, Mumbai- 400 001	Mr. Hari K Asst. Vice President – Operations National Stock Exchange of India Ltd Exchange Plaza, Bandra – Kurla Complex Bandra (East), Mumbai – 400 051
BSE Scrip Code -506690	NSE Symbol – UNICHEMLAB

Dear Sir,

Sub: 59th Annual General Meeting (AGM) Report and Notice, E-voting and Book closure

1. As already intimated to the exchanges vide our letter dated 28th June, 2022, the 59th Annual General Meeting (AGM) of the Members of Unichem Laboratories Limited will be held on **Tuesday, 9th August, 2022 at 2:00 p.m.** through video conference ('VC')/Other Audio-Visual Means ('OVAM'). Please find enclosed herewith a copy of the Annual Report 2021-2022 along with the AGM notice. The same will be posted on the website of the Company at www.unichemlabs.com.
2. In compliance with the various Circulars issued by MCA and SEBI from time to time the Annual Report for the year ended 31st March, 2022, alongwith the Notice of the AGM will be sent to the Shareholders today i.e.12th July, 2022 only through electronic mode to the Members whose e-mail ids are registered with Company/Depository Participant(s) (DPs)/Registrar & Share Transfer Agents (RTA).
3. The remote e-voting period begins on Friday, 5th August, 2022 at 9:00 a.m. (IST) and ends on Monday, 8th August, 2022 at 5:00 p.m. (IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, 2nd August, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
4. The Register of Members and Share Transfer Books shall remain closed from Wednesday, 3rd August, 2022, to Tuesday, 9th August, 2022 (both days inclusive) for the 59th AGM and payment of dividend, if declared, at the forthcoming AGM for the financial year 2021-22.

Please take the above on record.

Thanking you,

For UNICHEM LABORATORIES LIMITED

PRADEEP BHANDARI Digitally signed by PRADEEP BHANDARI Date: 2022.07.12 15:07:08 +05'30'

UNICHEM LABORATORIES LTD. MUMBAI 400 102.

PRADEEP BHANDARI

Head- Legal & Company Secretary

ANNUAL REPORT
2021-2022

UNICHEM
LABORATORIES LTD.

Corporate Information

Board Committees

Audit Committee	Mr. Prafull Anubhai - Chairman Mr. Prafull Sheth Mr. Dilip Kunkolienkar Mr. Anand Mahajan Dr. (Mrs.) B. Kinnera Murthy	**Risk Management Committee**	Dr. Prakash A. Mody-Chairman Mr. Dilip Kunkolienkar Mr. Prafull Sheth
Nomination and Remuneration Committee	Mr. Prafull Anubhai - Chairman Mr. Prafull Sheth Mr. Anand Mahajan	**Corporate Social Responsibility Committee**	Dr. Prakash A. Mody - Chairman Mr. Prafull Anubhai Dr. (Mrs.) B. Kinnera Murthy
Stakeholders Relationship Committee	Mr. Prafull Anubhai - Chairman Dr. Prakash A. Mody Dr. (Mrs.) B. Kinnera Murthy		
Company Secretary & Compliance Officer	Mr. Pradeep Bhandari Head - Legal & Company Secretary	**Deputy Chief Financial Officer**	Mr. Sandip Ghume

Registered Office

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

Statutory Auditors

N. A. Shah Associates LLP
Chartered Accountants
B 41-45, Paragon Centre
Pandurang Budhkar Marg
Worli, Mumbai - 400 013

Registrar and Share Transfer Agents

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

Cost Auditors

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

Plant Locations

FORMULATION PLANTS

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

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

BADDI
Bhatauli Kalan
District Solan, Baddi - 173 205
Himachal Pradesh

API PLANTS

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

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

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

Board of Directors

(L) to (R)

Mr. Dilip Kunkolienkar
Director Technical

Mr. Praful Sheth
Independent Director

Mr. Anand Mahajan
Independent Director

Mr. Prafull Anubhai
Independent Director

Dr. Prakash A. Mody
Chairman & Managing Director

(Dr.) (Mrs.) B. Kinnera Murthy
Independent Director

Message from the Chairman

Dear Shareowners,

It is my pleasure to present before you the 59th Annual Report of your Company. I hope that you all are keeping safe and healthy!

Let me begin by expressing my deepest gratitude to the medical fraternity for their extraordinary fortitude in serving society and in ramping up healthcare infrastructure along with intensive vaccination program during last year across the country to make our lives safer and more convenient.

The recent period has been relentless with the global pandemic, military conflict, supply chain shortages and businesses had to cope with this unprecedented sequence of events with speed and agility. While the world was recovering post pandemic, inflation and supply chain disruption had offset the buoyancy in the recovery of consumption across the globe. The world economy is progressively losing momentum caused due to rising global energy and food prices, deterioration in geopolitical environment and monetary policy normalisation to combat inflation.

The industry is expected to show some level of recessionary impact in the near to mid-term as concerns over inflation and recession grow across the US and Europe, the largest markets for the pharma industry. As per the World Bank estimate between 2021 and 2024, global growth is projected to slow by 2.7 percentage points.

Despite near-term uncertainties, the Indian economy holds immense promise. Indian pharma stands on four of its biggest strengths namely affordability, accessibility, agility and quality. It can grow not only in size and reach, but also in terms of capability and innovation.

Keeping this in mind, we have invested over the years in building our capacities and capabilities and have strengthened our processes for having superior quality and compliance, which has resulted in consistent accreditation approvals from the world regulatory authorities. Our manufacturing plants have been accredited by highly respected international regulatory authorities such as the US FDA, UK MHRA, SAHPRA (South Africa), WHO GMP, TGA (Australia), PMDA (Japan), KFDA (Korea), Russia and ANVISA (Brazil). We have capitalised on our manufacturing excellence to ensure sustained deliveries to our customers despite the challenges of APIs availability.

The technology transformation will be the next normal for all of us. We aim to enhance quality and compliance, augment productivity through enhanced operational excellence and data integrity. We have made significant efforts by investing in digital transformation to ensure a safe and productive working environment. We introduced a learning module system at all our locations to digitize our standard operating processes for upgrading the workforce in a more contemporary mode that is suited for the future. During the year, we seamlessly completed virtual audits/inspections of our plants for various overseas regulatory authorities, a testimony of our robust IT system.

We continue to invest in R&D for our markets and have the necessary regulatory approvals in place. Unichem has developed several pharma products that address the needs of relevant and growing therapeutic areas like gastroenterology, cardiology, diabetology, psychiatry, neurology, anti-bacterial, anti-infectives and pain management. The Centre of Excellence at 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.

Unichem concluded its major capex-cycle spread over the last 3 years at all its manufacturing facilities i.e. for formulations, APIs and at its R&D centre. This will ensure that we are ready to unfold the market opportunities while maintaining the highest quality standards. Most importantly, this capex was funded entirely from the internal accruals. With most of these facilities commencing operations, we expect an easing of pressure on our operating free cash flow in the coming years. With this newly built capacity and capabilities, we are hopeful that we will continue to deliver value and strengthen our foundation for growth.

It was a year of challenges, but also a year of significant achievements. The first nine months of the year saw our revenues decline, but the fourth quarter saw a complete turnaround and I am happy to share that we closed the year on a very strong note. Consolidated Revenue from Operations increased to ₹ 1,269.83 crs during the financial year 2021-22 from ₹ 1,235.14 crs in the previous year, registering a growth of 2.8%. US which is a major market for your Company achieved sales of ₹ 734.29 crs during the fiscal year 2021-22 as against ₹ 687.54 crs in the previous year, registering a growth of 6.8%. Revenue from the international formulation business contributed to 80.6% of Net Revenue from Operations.

As a continuous effort toward rewarding Shareholders, it gives me immense pleasure to inform you that the Board of Directors of the Company has recommended a Dividend of ₹ 4/- (200%) per share. The dividend shall be paid if approved by Shareholders at the ensuing 59th Annual General Meeting.

Our long-term commitment to society and communities was further augmented through our CSR programmes implemented during the year even though there was no mandatory requirement for CSR spending. Our key focus this year was on addressing health and educational concerns while co-creating value with local institutions and people.

Although the future is full of uncertainty and challenges, the outlook is one of the cautious optimism. Recovery might get 'delayed' but not 'derailed'. However, Companies will have to remain on guard concerning the geopolitical situation and the pandemic-related uncertainties. Several multibillion-dollar drugs going off patent over the next few years and increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will provide attractive growth opportunities to generics manufacturers and thus, Indian pharmaceutical industry is poised for an accelerate growth in the coming years.

We have built new capacities and capabilities, including R&D, Manufacturing and Quality and expanded our product portfolio to deliver long-term, sustainable growth in our generics business. We are hopeful that we will continue to deliver value and strengthen our foundation for growth. With formulations constituting the core of the Company's business, Unichem is backward integrated to API manufacturing, which will add value to the customer in terms of quality and sustainability going forward. The outlook for the Company remains bright, going by the number of products/filings filed or lined up in coming years.

As the pandemic has subsided, the exceptional growth of the past in acute therapies may not be repeated, however, emerging lifestyle diseases would boost demand for chronic drugs. On the back of investments made so far, we expect to drive revenue growth in our businesses and even as we plan the next phase of healthcare, we are acutely conscious to ensure growth is environmentally sustainable, socially impactful and in keeping with the governance standards. While the environment will bring many further challenges, our unwavering purpose of caring to enhance health through quality products will give us the confidence to build a stronger, better Unichem for the future.

I place on record my sincere appreciation to our customers, business associates, banks, suppliers, shareholders and employees for their continued support and trust reposed in us. I also take this opportunity to extend my gratitude to our esteemed Board members for their invaluable guidance and support in steering your Company on this journey toward being a global pharma player.

Stay safe and healthy!

Dr. Prakash A. Mody
Chairman & Managing Director
27th May, 2022

Corporate Social Responsibility (CSR)

"Philanthropy is not about money. It is about using whatever resources you have at your fingertips and applying them to improving the world."

- Melinda Gates

In the past two years, the world has witnessed a situation not faced or heard of by any of us. While some people enjoyed the comforts of their homes and families, others had to walk thousands of miles to see their loved ones. Many lost their loved ones or their livelihood. "HUMANITY" and "SOCIAL RESPONSIBILITY" were the two qualities that surfaced repeatedly, whether from front-line health professionals, health support workers, or global benefactors. Many people extended their hands in any capacity they could, whether it was financial, physical, or emotional.

In these strenuous times when business continuity took precedence, your Company sustained its commitment to social responsibility. Your Company has always been at the forefront in contributing to the welfare of society. Some of the notable ones are mentioned below.

Education Reforms

APJ Abdul Kalam once said that education is the most powerful weapon, we can use to change the world. Believing in this idea your Company has been contributing to institutions that make available educational reforms to underprivileged and deserving sections of the society.

One such institute is the Sardar Vallabhbahi Sewa Trust, working for the benefit of students. Their project, College on Wheels, which commenced in FY 2021-22, provides education at the doorstep to girls facing geographical challenges in attending school. Your Company was happy to be a part of this initiative.

Another NGO, Yusuf Meherally Trust, works to provide education to disadvantaged young adults to empower them to become self-sufficient. Your Company contributed to the administrative activities which will help in their multi-skilling training program in agriculture, energy, engineering, environment, food processing, and other areas, with an emphasis on "Learning while Doing."

Through the Indian Pharmaceutical Association (IPA), your Company has been providing Amrut Mody scholarships to deserving pharma students across India for a four-year course, for several years now.

Healthcare

Your Company is committed to providing quality healthcare to society. To support this facet, your Company has been associated with the Vision Foundation of India, an initiative created by Dr. Kulin Kothari and the Bombay City Eye Institute & Research Centre in 1993, with the vision of eradicating blindness and eye diseases from the marginalized sections of society. They are running a 'Rashtriya Netra Yagna' to provide free eye surgeries across India. Your Company has sponsored around 1,250 cataract surgeries in Andhra Pradesh, Assam, Karnataka, Maharashtra, Odisha, and Uttar Pradesh.

Your Company, in collaboration with the Rotary Club of Bombay (Midtown), is helping underprivileged children who live in impoverished communities and require urgent cardiac surgery. The project, called the "Little Hearts Project", aims at providing a new healthy lease of life to children from these communities.

Your Company has been engaged in the refurbishment of a government hospital for the past couple of years, in Pithampur and has further contributed during the year.

Your Company's deep-rooted culture of social responsibility, which has existed since the beginning, has motivated management to continue working for the betterment of society.

Inside This Report

Five-Year Financial Highlights (Standalone)

Profit and Loss Account

(₹ in Lakhs)

For the year ended 31st March	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Revenue From Operations	66,973.05	96,773.89	90,444.07	112,397.28	94,292.66
Other Income	6,288.60	10,154.23	9,917.01	4,737.11	4,206.79
Total Income	**73,261.65**	**106,928.12**	**100,361.08**	**117,134.39**	**98,499.45**
Cost of materials consumed (including provisions)	34,598.21	44,317.29	40,020.76	44,913.87	43,492.03
Purchases of Stock-in-Trade	-	20.86	104.37	53.52	134.90
Changes in inventories of finished goods and work-in-progress	470.21	(3,053.94)	(1,849.58)	(1,672.68)	(5,279.05)
Employee benefits expense	14,653.63	17,676.03	20,515.66	23,403.73	25,079.27
Excise Duty	39.34	-	-	-	-
Other expenses	30,834.49	43,029.52	40,713.91	36,152.16	34,414.82
Total expenses	**80,595.88**	**101,989.76**	**99,505.12**	**102,850.60**	**97,841.97**
PBDIT	**(7,334.23)**	**4,938.36**	**855.96**	**14,283.79**	**657.48**
Finance Cost	316.69	61.71	128.18	130.06	207.42
Impairment loss on financial assets	-	863.42	-	-	806.07
PBDT	**(7,650.92)**	**4,013.23**	**727.78**	**14,153.73**	**(356.01)**
Depreciation & Amortisation	4,504.12	6,171.25	7,108.96	7,589.18	8,318.76
Profit before tax	**(12,155.04)**	**(2,158.02)**	**(6,381.18)**	**6,564.55**	**(8,674.77)**
Current tax	-	-	-	-	-
Deferred tax	1,257.90	(2,737.77)	(749.56)	1,094.30	(3,155.51)
Short / (Excess) provision for tax (earlier years)	(1,271.99)	(124.45)	-	62.02	23.70
Profit/(Loss) for the period from continuing operations	**(12,140.95)**	**704.20**	**(5,631.62)**	**5,408.23**	**(5,542.96)**
Profit/(Loss) from discontinued operations					
A. Profit / (Loss) from discontinued operations	15,358.12	246.96	-	-	-
B. Gain on sale of identified business (net)	321,731.05	-	-	-	-
Profit/(Loss) for the year from discontinued operations (A+B)	**337,089.17**	**246.96**	**-**	**-**	**-**
Tax on discontinued operations	69,288.37	71.24	-	-	-
Profit/(Loss) from discontinued operations (after tax)	**267,800.80**	**175.72**	**-**	**-**	**-**
Profit/(Loss) for the year	**255,659.85**	**879.92**	**(5,631.62)**	**5,408.23**	**(5,542.96)**
Other Comprehensive Income	(180.08)	(28.49)	299.50	2,130.49	5,537.20
Total Comprehensive Income	**255,479.77**	**851.43**	**(5,332.12)**	**7,538.72**	**(5.76)**

Five-Year Financial Highlights (Consolidated)

Profit and Loss Account

(₹ in Lakhs)

For the year ended 31st March	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Revenue From Operations	81,839.69	1,18,004.68	1,10,371.28	1,23,513.53	1,26,983.22
Other Income	6,100.62	9,841.29	9,131.31	5,018.76	4,750.94
Total Income	**87,940.31**	**1,27,845.97**	**1,19,502.59**	**1,28,532.29**	**1,31,734.16**
Cost of materials consumed (including provisions)	38,772.89	47,691.79	42,187.92	46,698.72	45,601.35
Purchases of Stock-in-Trade	-	20.86	104.37	53.52	134.90
Changes in inventories of finished goods and work-in-progress	(2,948.21)	(3,247.73)	(3,575.68)	(8,814.04)	(4,153.41)
Employee benefits expense	20,064.22	23,852.32	27,327.99	30,697.06	33,048.96
Excise Duty	39.34	-	-	-	-
Other expenses	39,113.70	57,476.28	49,408.62	45,767.35	44,348.34
Total expenses	**95,041.94**	**1,25,793.52**	**1,15,453.22**	**1,14,402.61**	**1,18,980.14**
Share of profit/(loss) in associate (net of tax)	**(22.32)**	**6.52**	**81.27**	**(34.25)**	**(106.10)**
PBDIT	**(7,123.95)**	**2,058.97**	**4,130.64**	**14,095.43**	**12,647.92**
Finance Cost	800.76	752.23	784.72	511.86	610.53
Impairment loss on financial assets	-	560.59	-	-	723.89
PBDT	**(7,924.71)**	**746.15**	**3,345.92**	**13,583.57**	**11,313.50**
Depreciation & Amortisation	5,050.84	6,736.68	8,166.94	8,435.63	9,116.61
Profit before tax	**(12,975.55)**	**(5,990.53)**	**(4,821.02)**	**5,147.94**	**2,196.89**
Current tax	115.26	713.83	547.24	1,668.26	1,050.83
Deferred tax	1,490.95	(4,024.15)	649.99	(14.82)	(2,183.81)
Short / (Excess) provision for tax (earlier years)	(1,271.99)	(124.45)	-	62.02	23.70
Profit/(Loss) for the period from continuing operations	**(13,309.77)**	**(2,555.76)**	**(6,018.25)**	**3,432.48**	**3,306.17**
Profit/(Loss) from discontinued operations					
A. Profit / (Loss) from discontinued operations	15,358.12	246.96	-	-	-
B. Gain on sale of identified business (net)	3,21,731.05	-	-	-	-
Profit/(Loss) for the year from discontinued operations (A+B)	**3,37,089.17**	**246.96**	**-**	**-**	**-**
Tax on discontinued operations	69,288.37	71.24	-	-	-
Profit/(Loss) from discontinued operations (after tax)	**2,67,800.80**	**175.72**	**-**	**-**	**-**
Profit/(Loss) for the year	2,54,491.03	(2,380.04)	(6,018.25)	3,432.48	3,306.17
Other Comprehensive Income	(458.63)	186.97	305.64	1,639.47	5,375.05
Total Comprehensive Income	**2,54,032.40**	**(2,193.07)**	**(5,712.61)**	**5,071.95**	**8,681.22**

Notice of the 59th Annual General Meeting

NOTICE is hereby given that the 59th Annual General Meeting (AGM) of the Members of **Unichem Laboratories Limited,** will be held on Tuesday, 9th August, 2022 at 2:00 p.m. (IST) through Video Conference (VC)/Other Audio-Visual Mode (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended 31st March, 2022 and the reports of the Board of Directors and auditors thereon.

2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31st March, 2022 and the reports of the auditors thereon.

3. To declare a Dividend of ₹ 4/- (200%) per equity share for the financial year ended 31st March, 2022.

4. To appoint a Director in place of Mr. Dilip Kunkolienkar (DIN: 02666678) who retires by rotation and, being eligible, offers himself for re-appointment.

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

   "**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force), pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. N. A. Shah Associates LLP, Chartered Accountants (Firm Registration 116560W/W100149), be and are hereby re-appointed as Statutory Auditors of the Company for a second term of 5 (five) consecutive years who shall hold office from the conclusion of this 59th Annual General Meeting till the conclusion of the 64th Annual General Meeting at such remuneration as recommended by the Audit Committee and agreed between the Board of Directors and the said Auditors from time to time;

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), a remuneration not exceeding ₹ 9.00 lakhs (Rupees Nine Lakhs Only) plus applicable taxes and reimbursement of out-of-pocket expenses as approved by the Board of Directors of the Company payable to Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No. 00294); for conducting Cost Audit of the records maintained by the Company for the financial year ending 31st March, 2023, be and is hereby ratified;

   RESOLVED FURTHER THAT the Board be and is hereby authorised severally to do all such acts, deeds, matters, and things as may be necessary to give effect to this Resolution."

By order of the Board of Directors,

For **Unichem Laboratories Limited**

Pradeep Bhandari

Mumbai — Head – Legal & Company Secretary

27th May, 2022 — Membership No.: A14177

Registered Office:

Unichem Bhavan, Prabhat Estate, Off S. V. Road

Jogeshwari (West), Mumbai – 400 102

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) had vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020, General Circular No. 02/2021 dated 13th January, 2021 and the latest circular dated 2/2022 dated 5th May, 2022, read with read with relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars") permitted the holding of the Annual General Meeting (AGM) through Video Conference (VC)/Other Audio-Visual Mode (OAVM), without the physical presence of the Members at a common venue and the exemptions stand extended till 31st December, 2022. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and the Circulars, the AGM of the Company is being held through VC. The deemed venue for the 59th AGM shall be the Registered Office of the Company.

2. A Statement setting out material facts pursuant to Section 102(1) of the Act, with respect to the items of Special Business is annexed hereto.

3. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. The Annual report shall also be available on the Company's website www.unichemlabs.com and that of the exchanges namely www.bseindia.com and www.nseindia.com. In case any member is desirous of obtaining physical copy of the Annual Report for the financial year 2021-22 they may send a request to the Company by writing at shares@unichemlabs.com.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this Notice.

5. Institutional/Corporate Shareholders (i.e., other than Individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorization, etc. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company at shares@unichemlabs.com.

6. Pursuant to Section 108 of the Act and the Rules made thereunder, Regulation 44 of the Listing Regulations, and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

7. Members can join the AGM in the VC/OAVM mode 15 (fifteen) minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first-served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Auditors etc., who can attend the AGM without restriction on account of first come first-served basis.

8. Members attending the AGM through VC/OAVM shall be counted for the purpose to reckon the quorum under Section 103 of the Act.

9. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

10. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 3rd August, 2022 to Tuesday, 9th August, 2022 (both days inclusive) for the 59th AGM and payment of Dividend, if declared, at the forthcoming AGM.

    (i) If the Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such Dividend will be subject to deduction of tax at source and will be paid by Saturday, 20th August, 2022 to those Members whose names are registered in the Register of Members of the Company as on Tuesday, 2nd August, 2022 and to the beneficiary holders as per the beneficiary list as on Tuesday, 2nd August, 2022 provided by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

    (ii) The Company provides the facility to the Members for remittance of Dividend directly in electronic mode through National Automated Clearing House (NACH). In view of the continuing COVID-19 pandemic, Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code), along with their Folio Number on the link of the Company's Registrar and Share Transfer agents (RTA) Link Intime India Private Limited at https://www.linkintime.co.in/EmailReg/Email_Register.html. Shareholders holding shares in dematerialized form are requested to provide the said details to their respective Depository Participants.

    (iii) The above link may also be used by the Members holding shares in physical form to request changes, if any, about their postal and e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), etc.

    (iv) Members holding shares in the dematerialized form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of Dividend. The Company or its RTA cannot act on any request received directly from the Members holding shares in the dematerialized form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

11. (i) Pursuant to Finance Act, 2020, Dividend income will be taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from Dividend paid to Shareholders at the prescribed rate. For the prescribed rates for various categories, Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

    (ii) A separate e-mail will be sent at the registered e-mail id of the Members describing the detailed process to submit/upload the documents/declarations along with the formats in respect of deduction of tax at source on the dividend payout. The intimation will also be uploaded on the website of the Company at www.unichemlabs.com.

12. Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its circular dated 25th January, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this,

Members holding shares in physical form are requested to submit duly filled Form ISR-4 for the above mentioned service requests. Further, to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding equity shares in physical form are requested to consider converting their holdings to demat mode.

13. SEBI vide its circular dated 3rd November, 2021 has mandated registration of PAN, KYC details and Nomination, by the holders of physical securities. Therefore, Members holding shares in physical form are requested to promptly notify in writing in Form ISR-1 for any change in their address, details relating to nomination, e-mail address, change or updating of bank mandate, mobile number etc. along with the supporting documents to the Company's RTA at rnt.helpdesk@linkintime.co.in from their registered e-mail id.

14. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Please write to the Company's RTA at rnt.helpdesk@linkintime.co.in or can register the same by submitting Form No. SH-13. Members are requested to submit the said details to their respective DP, in case the shares are held by them in dematerialised form and to the Company/RTA in case the shares are held by them in physical form.

15. The unclaimed dividend(s) for the financial year 2013-14 and dividends before that, have already been transferred to the Investor Education and Protection Fund (IEPF), as required under Section 124(5) of the said Act. Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2021, on the website of the Company at www.unichemlabs.com and the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

16. Members are requested to note that no claim shall lie against the Company in respect of any amount of Dividend remaining unclaimed/unpaid for 7 (seven) years from the dates they became first due for payment. **Any Member, who has not claimed the Dividend for the financial year 2014-15 and onwards is requested to approach the Company/the Company's RTA for claiming the same as early as possible, but before Tuesday, 16th August, 2022.** The Company has already sent reminders to all such Members at their registered addresses in this regard.

17. **Pursuant to the provisions of the IEPF Rules read with Section 124(5) and Section 124(6) of the Act all shares on which Dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred to demat account of IEPF authority. The Company has uploaded full details of such Shareholders and shares transferred to the IEPF suspense account on its website www.unichemlabs.com. Shareholders are requested to refer to the link on the Company's website namely https://www.unichemlabs.com/unclaimed-dividend.php to verify the details of un-encashed Dividends and the shares transferred to the IEPF suspense account.**

In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

18. Since the AGM will be held through VC/OAVM, the Route Map of the AGM is not annexed in this Notice.

19. The Registers as required under the Act and the documents referred to in the Notice shall not be available for physical inspection at the Registered Office of the Company. Interested Shareholders seeking an inspection of the same may write to the Company Secretary at shares@unichemlabs.com for an electronic copy.

20. Pursuant to the provisions of the Listing Regulations, the Company is maintaining an e-mail ID namely shares@unichemlabs.com exclusively for prompt redressal of Members/Investors grievances.

21. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance atleast 15 (fifteen) days prior to Meeting mentioning their name, demat account number/folio number, e-mail id, mobile number at shares@unichemlabs.com. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 (fifteen) days prior to Meeting mentioning their name, demat account number/folio number, e-mail id, mobile number at shares@unichemlabs.com. These queries will be replied to by the Company suitably.

22. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

23. The Company has appointed Ms. Ragini Chokshi of Ragini Chokshi & Associates, Practicing Company Secretary (C.P.No.1436) as a Scrutinizer for conducting the remote e-voting and voting at the Meeting fairly and transparently.

24. Instructions for e-voting and using VC/OAVM

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

(i) The voting period begins on Friday, 5th August, 2022 at 9:00 a.m. (IST) and ends on Monday, 8th August, 2022 at 5:00 p.m. (IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, 2nd August, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The Shareholders who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/

OAVM but shall not be entitled to cast their vote on such Resolution again.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its Shareholders, in respect of all Shareholders' Resolutions. Currently, there are Multiple e-voting Service Providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Shareholders.

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

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

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

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual Meetings for Individual Shareholders holding securities in Demat mode is given below:

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

1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.

2) After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual Meeting and voting during the Meeting. Additionally, there is also links provided to access the system of all e-voting service providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly.

3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile and e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.

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

1) If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual Meeting and voting during the Meeting.

2) If the user is not registered for IDeAS e-services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.

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

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

You can also login using the login credentials of your demat account through your Depository

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

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

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

FOR CDSL

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact toll free number 1800 22 55 33.

FOR NSDL

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 .

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

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

1) The Shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID:

   a. For CDSL: 16 digits beneficiary ID.

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.

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

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

6) If you are a first time user follow the steps as given herein:

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

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For Shareholders holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non-Individual Shareholders and Custodians-Remote Voting**

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

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

1) The procedure for attending Meeting and e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2) The link for VC/OAVM to attend Meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.

3) Shareholders who have voted through remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the AGM.

4) Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.

5) Further Shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the Meeting.

6) Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

7) Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

8) If any votes are cast by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the Shareholders attending the Meeting.

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

1) For physical Shareholders- please provide necessary details like Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to RTA at rnt.helpdesk@linkintime.co.in.

2) For Demat Shareholders: Please update your e-mail id and mobile no. with your respective Depository Participant (DP).

3) For Individual Demat Shareholders:Please update your e-mail id and mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting and joining virtual Meetings through Depository.

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

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

25. The voting rights of Shareholders shall be in proportion to their share of the paid-up capital of the Company as of the cut-off date i.e. Tuesday, 2nd August, 2022. Any person who becomes a Member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date i.e. Tuesday, 2nd August, 2022 and wishing to participate in the e-voting may obtain User ID and

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

26. The Scrutinizer shall after scrutinizing the votes cast through remote e-voting not later than 48 (forty-eight) hours from the conclusion of the AGM shall submit the Scrutinizer's Report to the Chairman or any person authorized by the Board, who shall counter sign the same. The results declared along with the Scrutinizer's report shall be placed on the website of the Company at www.unichemlabs.com and of CDSL at www.evotingindia.com. The results shall also simultaneously be disseminated to the Stock Exchanges at www.bseindia.com and www.nseindia.com.

27. Subject to the receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e., Tuesday, 9th August, 2022.

28. 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 and seeking re-appointment is given below:

Mr. Dilip Kunkolienkar (DIN: 02666678) aged 71 (seventy-one) years is a Bachelor of Pharmacy from Mumbai University. He has more than four decades of rich exposure at various positions in the Pharmaceutical industry in various leading Pharmaceutical houses like Richardson Hindustan Limited, Geigy Limited, Raptakos Brett Company Limited, and German Remedies Limited.

Before being appointed as the Director Technical of the Company, Mr. Kunkolienkar served as Vice President, Global Generics & Compliance at the Company with an additional charge of rendering formulation operation and technical services to unit heads and the Management.

He has diverse experience in the manufacture of tablets, capsules, parenterals, Oral Solid and Liquid Dosage forms, suppositories of various forms; with additional exposure to Bio studies, Product Viabilities, Planning, General Administration, Documentation, Regulatory Audits, Capex/Revenue budgeting, Research & Development and API Marketing.

He is also a member of the Audit Committee and Risk Management Committee of the Company. He also serves as a Director in the Company's Wholly Owned Subsidiaries namely Unichem Pharmaceuticals (USA) Inc, USA, Niche Generics Limited, UK, Unichem Laboratories Limited, Ireland, and Unichem (China) Private Limited, China.

He currently holds 75,538 equity shares of the Company allotted in terms of Employee Stock Option Schemes of the Company. Further 246,176 options have been granted to Mr. Kunkolienkar in terms of the Employee Stock Option Scheme, 2018 yet to be exercised by him in terms of the said Scheme. Mr. Kunkolienkar has attended all the 5 (five) Board Meetings of the Company held during the financial year 2021-22. He is not related to any Director or KMP of the Company.

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

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

Mumbai
27th May, 2022

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

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

Item No. 5

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. N. A. Shah Associates LLP, Chartered Accountants (Auditors) the existing Statutory Auditors of the Company will complete their first term of five (5) years as Statutory Auditors of the Company at the conclusion of this 59th Annual General Meeting ('AGM').

Moreover, in accordance with provisions of the Section 139(2) of the Act, a listed company can re-appoint an audit firm as auditor for not more than two terms of five consecutive years. The said Auditors have only completed one term of five (5) years and accordingly the Board, on the recommendation of the Audit Committee, has further recommended the re-appointment of M/s. N. A. Shah Associates LLP for the second term of five (5) consecutive years for conducting audit of the Company and to hold office from the conclusion of the 59th AGM till the conclusion of the 64th AGM at a remuneration to be decided by Board of Directors and the said Auditors based on the recommendation of the Audit Committee of the Company.

The said Auditors have given their eligibility certificate and willingness to be re-appointed as statutory auditors for a second term of five (5) consecutive years from the conclusion of the 59th AGM till the conclusion of the 64th AGM.

The said Auditors have provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board of ICAI'.

The credentials of M/s. N. A. Shah Associates LLP as required in terms of Listing Regulations, are as follows:

M/s. N. A. Shah Associates LLP is a firm of Chartered Accountants with service offerings in the key areas of Audit & Assurance, Direct Tax, Indirect Tax and Business Advisory. It has a team of 13 partners (combined experience of 400 man years), around 100 professionals and total team size of 250 people. It has peer review compliance since inception. It has its registered office situated at B 41-45, Paragon Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 013.

Considering the past performance, experience and expertise and based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for approval by the Members of the Company. None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested financially or otherwise at Item No. 5 of the Notice, except to the extent of their shareholding, if any, in the Company.

Item No. 6

The Board of Directors at its Meeting held on 27th May, 2022, 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, 2023, at a remuneration not exceeding ₹ 9.00 lakhs (Rupees Nine Lakhs Only) plus applicable taxes and out-of-pocket expenses at actuals. The auditors have confirmed that they are eligible for appointment as Cost Auditors.

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

None of the Directors or Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6, except to the extent of their Shareholding, if any, in the Company.

Hence, Resolution at Item No. 6 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**

Pradeep Bhandari

Head – Legal & Company Secretary

Membership No.: A14177

Mumbai

27th May, 2022

Registered Office:

Unichem Bhavan, Prabhat Estate, Off S. V. Road

Jogeshwari (West), Mumbai – 400 102

Directors' Report

Dear Members,

Your Directors have the pleasure of presenting the audited accounts of your Company for the financial year ended 31st March, 2022.

Financial Highlights

The table below gives the financial highlights of the Company for the year ended 31st March, 2022 on a standalone and consolidated basis as compared to the previous financial year.

(₹ in lakhs)

Particulars	Standalone (Audited)		Consolidated (Audited)	
	For the year ended		For the year ended	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Revenue from operations	94,292.66	1,12,397.28	1,26,983.22	1,23,513.53
Other Income	4,206.79	4,737.11	4,750.94	5,018.76
Total Income	**98,499.45**	**1,17,134.39**	**1,31,734.16**	**1,28,532.29**
Profit/(Loss) before tax	**(8,674.77)**	**6,564.55**	**2,196.89**	**5,147.94**
Current tax	-	-	1,050.83	1,668.26
Deferred tax	(3,155.51)	1,094.30	(2,183.81)	(14.82)
Short/(Excess) provision for tax (earlier years)	23.70	62.02	23.70	62.02
Profit/(Loss) for the year	**(5,542.96)**	**5,408.23**	**3,306.17**	**3,432.48**
Other Comprehensive Income	5,537.20	2,130.49	5,375.05	1,639.47
Total Comprehensive Income	**(5.76)**	**7,538.72**	**8,681.22**	**5,071.95**

Management Discussion and Analysis

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

The state of the affairs of the business along with the financial and operational developments has been given in this Report.

Appropriations

A loss of ₹ (8,359.19) lakhs after considering dividend paid during the year is proposed to be carried forward in the Profit & Loss Account. Your Company does not propose to transfer any amount in the General Reserves of the Company.

Dividend

The Board has recommended a Dividend of ₹ 4/- (200%) per equity share of ₹ 2/- each for the year ended 31st March, 2022. The Dividend will be paid after approval of Members at the ensuing Annual General Meeting (AGM) of the Company which will result in a cash outflow of ₹ 2,816.23 lakhs.

The Register of Members and Share Transfer Books shall remain closed from Wednesday, 3rd August, 2022, to Tuesday, 9th August, 2022 (both days inclusive) for AGM and, Dividend, if approved by the Members.

Pursuant to Finance Act, 2020, Dividend income will be taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company shall deduct tax at source from Dividends paid to the Shareholders at the prescribed rates. A detailed communication on this shall be separately sent to the Shareholders.

The Company has a Dividend Distribution Policy in place and the same is available on the website of the Company at https://www.unichemlabs.com/dividend-distribution-policy.php.

Employees Stock Options Scheme

The Company has implemented the "Unichem Employee Stock Option Scheme, 2018" (Scheme) which was duly approved by the Shareholders vide a Special Resolution passed through Postal Ballot Meeting held on 15th May, 2018. Under the said Scheme 52,75,275 Options were approved, out of which 15,12,224 Options were granted to the eligible employees of the Company and its subsidiary in August 2018. 50% of the options granted i.e. 7,56,112 Options became vested on to them on 1st April,2022 and are exercisable in terms of the said Scheme. As on date none of the eligible employees have yet exercised these options.

The certificate from the Secretarial Auditor of the Company on the implementation of the said Scheme in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) has been duly obtained.

Details of this scheme form part of the Director's Report and are available on the Company's website at https://www.unichemlabs.com/annual-report.php.

Research and Development (R&D)

Kindly refer to the write-up in the Section, Management Discussion and Analysis Report.

Corporate Governance

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

Corporate Social Responsibility (CSR)

The Board has constituted a Corporate Social Responsibility (CSR) Committee to monitor the implementation of CSR activities of your Company. The Annual Report on CSR activities as amended in terms of Section 135 of the Act and the Rules made thereunder, is annexed as Annexure C to this Report.

During the year under review, there was no mandatory requirement to spend towards CSR. However, the Company has voluntarily spent ₹ 63.22 lakhs for the year under review which includes an amount of ₹ 2.60 lakhs which has remained unutilized with an implementing agency as on 31st March, 2022. This is expected to be utilized in the subsequent financial year.

Consolidated Financial Statements

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

Review of Subsidiaries and Associates

Your Company has 6(six) subsidiaries and 1(one) associate company. A statement containing salient features of the financial statements of the subsidiaries and associate company, pursuant to Section 129 of the Companies Act, 2013 (the Act), and the Rules made thereunder, is annexed to this Report as Annexure D in the prescribed Form AOC -1 and hence not repeated here for the sake of brevity.

Synchron Research Services Private Limited (Synchron) is an associate company in terms of Section 2(6) of the Act. Synchron is a contract research organization in India which offers clinical trial services to pharmaceutical companies. The Company has made a provision towards impairment of its equity investment in Synchron as per the note appearing under 6.2 of the notes to the accounts under standalone financial statements.

Particulars of Loans, Guarantees and Investments

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

Deposits

The Company has not accepted any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

Risk Management

Your Company considers risk management as a key element of its business operations and has put in place effective systems to identify, monitor, and mitigate risks to ensure sustained operations. Your Company has constituted a Risk Management Committee, details of which are disclosed in the Corporate Governance Report. A section on Risk Management practices of the Company is included in the Management Discussion and Analysis Report.

Directors and Key Managerial Personnel

All Independent Directors have declared that they meet the criteria of Independence as laid down under Section 149(6) of the Act and Regulation 16(b) of the Listing Regulations. All Independent Directors have given declarations stating compliance with the Code of Ethics and Business Conduct. There has been no change in the circumstances affecting their status as Independent Directors of the Company. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are independent of the management.

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

In terms of Section 203 of the Act, Dr. Prakash A. Mody, Chairman & Managing Director, (DIN: 00001285), Mr. Dilip Kunkolienkar, Director Technical, (DIN: 02666678), Mr. Sandip Ghume, Deputy Chief Financial Officer, and Mr. Pradeep Bhandari, Head-Legal & Company Secretary are the Key Managerial Personnel of the Company. Mr. Kunkolienkar retires by rotation and being eligible has offered himself for re-appointment.

Directors' Responsibility Statement

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

1. that in preparation of annual accounts for the year ended 31st March, 2022, the applicable accounting standards have been followed and no material departures, have been made from the same;
2. that such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and Profit /Loss for that year;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for

preventing and detecting fraud and other irregularities;

4. that the annual accounts have been prepared on a going concern basis;
5. that the internal financial controls were in place and that they were adequate and operating effectively; and
6. that systems to ensure compliance with the provisions of all applicable laws were devised and such systems were adequate and operating effectively.

Board performance and evaluation

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

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

Salient features of the Nomination and Remuneration Policy

The Board, on the recommendation of the Nomination and Remuneration Committee, has adopted a policy for selection, appointment, and remuneration of Directors, Key Managerial Personnel, and Senior Management. The policy is available on the Company's website at https://www.unichemlabs.com/nomination-and-remunerationpolicy.php.

The Company considers human resources as its invaluable assets. The Nomination and Remuneration Policy aims to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP), and employees of the Company and is linked to the overall individual performance. The Remuneration policy for all employees is designed to attract talented personnel and remunerate them fairly and responsibly, this being a continuous, ongoing exercise at each level in the organization.

Whole-time/Managing Director

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

Non-Executive Directors

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

Key Managerial Personnel (KMP) and Senior Management

The remuneration of KMP other than the Executive Directors and other Senior Managerial Employees largely consists of basic salary, perquisites, allowances and performance incentives (wherever paid). Perquisites and retirement benefits are paid according to the Company's policy. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification and experience, merits, and performance of each employee. The Company while deciding the remuneration package takes into consideration the current employment scenario and remuneration package prevalent in the industry and peer group companies.

Board Meetings

During the year, 5 (five) Board Meetings were held, the details of which are given in the Corporate Governance Report.

Audit Committee

The Company has an Audit Committee pursuant to the requirements of the Act read with the Rules framed thereunder and Listing Regulations. The details relating to the same are given in the report on Corporate Governance forming part of this Report. During the financial year 2021-22, the recommendations of the Audit Committee were duly accepted by the Board.

Whistle Blower Policy

The Company has in place a Whistle Blower/Vigil Mechanism through which its Stakeholders, Directors, and Employees can report genuine concerns about unethical behaviour and actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics. The said policy provides for adequate safeguards against victimization and direct access to the Audit Committee. The e-mail id for reporting genuine concerns is whistleblower@unichemlabs.com. No complaints were received during the year.

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

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

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

Audit qualification and Response of the Management on the above matter.

Standalone financials – Note no. 38

In this regard, the statutory auditors of Niche have given qualified audit opinion on the financial statement of Niche for the year ended 31st March, 2022. They have stated that previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, however following the hearing in October 2021, and their review of the available documentation, their opinion is that it is more likely than not that Niche will be liable for the fine of Euro 13.96 million (equivalent to ₹ 11,818.62 lakhs) and hence they believe that this should be provided for in the financial statements of Niche. As per the Board of Directors of Niche, there remains an inherent uncertainty as to the outcome of the appeal and therefore the Directors are of the opinion that no provision should be made at this point of time. The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and continued to disclose the matter under contingent liability.

As at Balance Sheet date, the Company has aggregate financial exposure of ₹ 12,267.33 lakhs in Niche comprising of investment, trade receivable and corporate guarantee given to bank for loan availed by Niche. Considering the impact of on-going litigation as elaborated in the above para and accumulated losses in Niche as at Balance Sheet date, the statutory auditor of the Company are of the view that the Company would need to provide for impairment on the exposure involved of ₹ 12,267.33 lakhs. However, the Company is of the view that such provision for impairment on exposure would be required only in the event of unfavourable outcome of the appeal which itself is uncertain. On the above matter, the auditors of the Company have given qualified opinion in their audit report on standalone financial statement for the year ended 31st March, 2022.

Further, as per the management the future business outlook and projections of the subsidiary are sufficient so as not to warrant any impairment on the investments in subsidiary (Niche) unless the outcome of EU matter is not in favour of the subsidiary.

Consolidated financials – Note no. 39

The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and fine imposed by the EU of Euro 13.96 million (equivalent to ₹ 11,818.62 lakhs) is continued to disclose the matter under contingent liability.

On the above matter, the auditors of the Niche have given qualified opinion in their audit report and the statutory auditor of Company have reported the said qualification in their audit report on consolidated financial statement for the year ended 31st March, 2022.

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

In November 2018, the Company had made a strategic investment in two Hyderabad based Active Pharmaceutical Ingredients (APIs) manufacturing company namely Optimus Drugs Private Limited ("ODPL") and Optrix Laboratories Limited ("Optirx") for a total consideration of ₹ 120 crs (Rupees One hundred twenty crores) by acquiring 19.99% of the issued and paid-up share capital of each of the said companies. Optrix was later merged into ODPL which no change in the overall shareholdings of the Company in the merged entity. Unichem held 19.99% of the equity share capital of ODPL.

Subsequent to the financial year ended 31st March, 2022, the Company has entered into binding Share Purchase Agreement ('SPA') dated 10th May, 2022 with Sekhmet Pharmaventures Private Limited ('Purchaser') and Optimus Drugs Private Limited ('Optimus') to sell its entire shareholding in Optimus to the Purchaser ('Transaction'). As per the SPA, the Company will sell 19.97% equity shares on a fully diluted basis in the first tranche and remaining 0.02% equity shares in the second tranche. For the first tranche, total consideration is ₹ 27,098.99 lakhs and for the second tranche for a price to be determined as per the said SPA after satisfaction of necessary conditions precedent. Fair value gain of ₹ 7,646.40 lakhs was recognized in Other Comprehensive Income in the current quarter and year ended 31st March, 2022 based on independent valuation report and carrying value of such investment as at balance sheet date is ₹ 22,595.23 lakhs. The additional fair value gain will be recognized in the subsequent period as per SPA. The Transaction is expected to complete in the subsequent period after satisfaction of necessary condition precedents as mutually agreed between the parties under the SPA.

Other than the above, there have been no material changes and commitments, affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this Report.

Related Party Transactions

During the year under review, approval of the Audit Committee and Board of Directors was sought for Related Party Transactions wherever required.

The Audit Committee has given prior approval for all Related Party Transactions wherever applicable. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and the weblink is https://www.unichemlabs.com/related-party-transactions-policy.php. The particulars of contracts or arrangements with Related Parties referred to in Section 188(1) of the Act are provided, in the prescribed Form AOC-2 annexed as Annexure E to this Report.

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

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

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and inquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the workplace. All women employees (permanent, temporary, contractual, and trainees) are covered under this policy. The policy also provides for the requisite checks, balances, and safeguards to ensure that no employee is victimized or harassed for reporting and bringing up such incidents in the interest of the Company. The ICC received 1 (one) compliant which was addressed during the year.

Auditors

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. N. A. Shah Associates LLP, Chartered Accountants the existing Statutory Auditors of the Company will complete their first term of 5 (five) years as Statutory Auditors of the Company at the conclusion of this 59th Annual General Meeting ('AGM'). In view of the same, M/s. N. A. Shah Associates LLP, Chartered Accountants (Firm Registration 116560W/W100149) based on the recommendation of the Audit Committee, have been re-appointed by the Board as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years to hold office from the conclusion of the 59th AGM till the conclusion of the 64th AGM subject to the approval of the Members of the Company at the ensuing Annual General Meeting on such remuneration plus applicable taxes and out-of-pocket expenses incurred in connection with the Audit as may be decided by the Board and the said auditors.

The said Auditors have given their eligibility certificate and willingness to be appointed as statutory auditors for a second term of 5 (five) years from the conclusion of the 59th AGM till the conclusion of the 64th AGM.

The said Auditors have confirmed that their firm has been subjected to the peer-review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the Peer Review Board of the ICAI.

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

Cost Auditors

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act, accordingly such accounts and records are made and maintained by the Company.

The Board of Directors at its Meeting held on 27th May, 2022, based on the recommendation of the Audit Committee, appointed Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No. 00294); as Cost Auditors for undertaking Cost Audit of the Cost Accounting Records maintained by the Company for the financial year 2022-23 at a remuneration not exceeding ₹ 9.00 lakhs (Rupees Nine Lakhs Only Only) plus applicable taxes and out-of-pocket expenses at actuals. The said Auditors have confirmed their eligibility for appointment as Cost Auditors. The remuneration payable to the said Cost Auditors is required to be placed before the Members at the ensuing AGM for ratification and a suitable Resolution has been set out in the Notice of this AGM. The Cost Audit Report for the year ended 31st March, 2021 was filed with the Ministry of Corporate Affairs on 4th August, 2021.

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Rules made thereunder, the Company has appointed Alwyn Jay & Co., Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure F to this Report. There is no qualification, reservation, adverse remark, or disclaimer in the said Report.

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

Compliance with Secretarial Standards

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India about Board Meetings (SS-1) and General Meetings (SS-2).

Internal control systems and their adequacy

The Company has in place adequate internal financial controls concerning its financial statements. These controls ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements. The details of the same are included in the Management Discussion and Analysis Report.

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

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

Dividend Distribution Policy

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

Particulars of Employees and related disclosures

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

In terms of the provisions of Section 197(12) of the Act and Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, details of employee's remuneration, form part of this Report. However, as per the provisions of Sections, 134 and 136 of the Act, the Report and financial statements are being sent to the Members and others entitled thereto, excluding the information on employees' particulars. Any Member interested in obtaining a copy of the same may write to the Company Secretary at shares@unichemlabs.com.

Extract of Annual Return

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

Business Responsibility Report

In compliance with Regulation 34(2) of the Listing Regulations, the Business Responsibility Report for the financial year 2021-22 is set out in Annexure I of this Annual Report.

Human Resources and Employee Relations

The Board of Directors commends the continued dedication of all its employees. Details of Human Resources and Employee Relations and matters incidental thereto are provided in the Management Discussion and Analysis Report.

Acknowledgement

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

Cautionary Statement

Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations, or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand, pricing and changes in government regulations, tax regimes, economic developments among the countries in which the Company conducts business, and other ancillary factors.

For and on behalf of the Board of Directors,

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

Mumbai
27th May, 2022

Annexure A to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY

While the world was recovering post pandemic, the war in Ukraine has upended the fragile recovery from the Covid-19 pandemic, triggering a devastating humanitarian crisis in Europe, increasing commodity and food prices and exacerbating inflationary pressures worldwide. The rise in energy prices, supply chain shortages and escalation of geo-political tensions will further impact growth in global economy. The rising geopolitical and economic uncertainties is dampening business confidence while increasing borrowing costs is weakening investment prospects. The global economy faces major downside risks from continuation of the war in Ukraine, stringent lockdown imposed in China, new variants of the pandemic and faster than expected monetary tightening in the developed economies. The scarcity in the flow of trade will have its ramifications on global supply chain, leading to slowdown.

The US economy, the major market for the Indian pharmaceutical sector was fuelled by massive fiscal stimulus as well as very low interest rates, a trend which has been reversed during the year. The US Fed had already given an indication of several sharp increases in interest rate, RBI, which has long stressed growth over inflation has also now signalled tightening of monetary policy with hiking of interest rate after a gap of four years, giving an ample signal that inflation control is more important than stimulating growth. The excessive tightening may carry the risk of dampening demand and risk of recessionary trends hitting the whole world.

The imposing of the sanctions due to Russia–Ukraine conflict will have pervasive trade ramifications across the globe and will further disrupt the supply chain leading into higher cost. With growing sanctions as the conflict continues, the new supplies may lead to greater roadblocks. Consequently, the benefits of globalisation through greater efficiencies and the spread of ideas and innovation will get substantially reduced leading to sub-optimal outcomes. In view of this, most economists now predict 'stagflation - a mix of slow growth and inflation'.

The challenges from the never-ending pandemic, supply chain bottlenecks and expected upcoming interest rate increases will hit the economy adversely – a feeble impact is already being felt. As per Morgan Stanley, global growth in the next year will be 2.9%, softer than previously projected. Slower global growth, adverse terms of trade shock and impact on business confidence from geopolitical tensions will weigh on the economic activities going forward. A slowdown in global growth and higher commodity prices expose India to downside risks. The key channels of impact will likely be higher inflation, weaker consumer demand, tighter financial conditions, the adverse impact on business sentiment and a delay in capex recovery.

On the other hand, as we see new variants and mutations posing significant challenges in terms of recovery and the economy growth, it is expected that countries will invest more in the health sector providing a boost to the pharmaceutical sector. A positive resolution of geopolitical tensions and decline in global commodity prices could improve the domestic and external demand.

GLOBAL PHARMA MARKET

The global medicinal market is expected to grow at 3-6% CAGR through 2026, reaching about USD 1.8 trillion in total market size in 2026, says the report from the IQVIA Institute for Human Data Science.

US is expected to retain its leading position in the global pharmaceuticals market with market share of 44% in 2023 improving on its market share compared to 2017. The US pharmaceutical industry will be worth USD 685 billion by 2023.

The pharmaceutical landscape has undergone a massive transformation with the emergence of new technologies, cost-effective and more efficient manufacturing approaches. In addition, increasing investment flow in this space has impacted the market growth positively.

The oral segment led the global market as oral dosage forms are affordable, easy to manufacture and patient friendly. In addition, the advancements in drug delivery technologies, such as sustained release dosage formulations and targeted drug delivery have allowed orally administered drugs to achieve greater levels of availability in the marketplace.

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

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK.

The pandemic demonstrated the maturity and reliability of India's pharma industry as a healthcare partner in many ways to minimise disruption, innovate on the go, create resilience in the supply chain and most importantly, work towards solutions.

The pharmaceutical industry however, has faced many challenges last year, be it in demand variation, pricing pressures, exports headwinds due to cargo supplies or regulatory approvals to accelerate new product pipelines.

GENERICS AND GENERIC FORMULATION

The global generic pharmaceuticals market size is expected to grow from USD 302 billion in 2021 to USD 426 billion in 2026 at a CAGR of 6.4%. The rising incidence of chronic diseases is one of the major drivers of the generic pharmaceuticals market. With the companies resuming their operations and adapting to the new normal while recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working and the closure of commercial activities that resulted in operational challenges will also contribute to the growth.

Unichem has a strong footprint in generic business for more than 7 decades. Even though in a pandemic situation, we could demonstrate positive growth from the last couple of years. US generic business has grown by 6.8% over the previous year.

The generic pharma market may witness a higher growth due to disease incidence and presence of supportive regulatory systems as countries are expected to invest more in the health sector post pandemic period.

API MARKET

The active pharmaceutical ingredients (API) market was valued at approximately USD 177 billion in 2021 and it is expected to reach USD 258 billion by 2027, registering a CAGR of nearly 7.50% during the forecast period 2022-27.

The key factors boosting the growth of the active pharmaceutical ingredients market are the rising drug research and development activities for drug manufacturing, the increasing importance of generics and the increasing uptake of biopharmaceuticals. However, the unfavourable drug price control policies across various nations and high manufacturing costs are expected to hinder the market's growth.

The major factors limiting the market growth include drug price control policies across various countries, fierce competition among existing players and stringent regulatory policies. The API market is highly competitive and consists of several major players, indicating a fragmented market scenario.

Despite the above facts, Unichem API business has shown growth in double digits as compared to the previous year. During the year under review, Unichem had filed 1 (one) US Drug Master File (USDMF) and 1 (one) Certification of Suitability of European Pharmacopoeia (CEP) apart from few new APIs launched in the market which should contribute further to our continual growth.

MANUFACTURING OPERATIONS

The fiscal year 2021-22 continued to pose the challenges of COVID-19. It was yet another year of supply chain issues. The second wave of Covid has been difficult in terms of production and site management especially in terms of uncertainty and positivity rate. Despite these unprecedented challenges, our employees stayed committed to Covid management by following government guidelines and internal SOPs. Our employees at the manufacturing locations have demonstrated significant drive and commitment during these testing times to ensure continued production and uninterrupted supply of medicines, which remains the key motive of our business.

All our plants continue to deliver as per strategic intent and have focused on a safe and secure environment. Further, each one of the facilities has robust quality systems to ensure high standards for product quality. The manufacturing operations are heavily regulated by governmental health authorities around the world, including USFDA, Medicines and Healthcare products Regulatory Agency (MHRA), Ministry of Health of the Russian Federation, European Medicines Agency (EMA), Health Canada, etc. which endorse the quality and safety of the product. The Company has upgraded EHS capability by installing state-of-art reverse osmosis systems at all the three API sites and upgrading environmental treatment at formulation sites as well.

Unichem has been successfully maintaining high-quality standards as per the CGMP (Current Good Manufacturing Practice) guidelines issued by USFDA, EU and other global regulators, responding immediately to observations, if any. During the year under review, Unichem successfully underwent EMA audit of Goa, Russian audit of Goa and Ghaziabad and Nigerian authority audit of Ghaziabad.

Your Company not only delivered multiple debottlenecking projects but also completed multiple expansion plans viz, quality control expansion at Ghaziabad and Pithampur, "Low volume, high value API" at Kolhapur and significant expansion at Goa, were commissioned.

OPPORTUNITIES AND THREATS

Over the years, India has been a prime source for the manufacture and supply of affordable and efficacious generic medicines across the world with India's pharmaceutical industry being the third largest globally by volume. According to the Economic Survey of 2020-21, the Indian pharmaceuticals is expected to expand multi-fold and become a USD 130 billion industry by 2030.

Indian pharma stands on four of its biggest strengths namely affordability, accessibility, agility and quality. It can grow not only in size and reach but also in terms of capability and innovation. It is this capability deepening trait that has helped Indian pharma grow over the last few decades. From building world-class capabilities in bulk drugs or Active Pharmaceutical Ingredients (APIs), it turned attention to formulations and newer dosage forms. On the complexity front, India pharma moved up the value chain from simple to complex molecules with higher entry barriers, cutting edge technology platforms, devices, new chemical entities, biosimilars and biologics.

The main drivers include ability to leverage the opportunity available for Indian pharma companies due to patent expiries of drugs globally, ebbing of regulatory risks and de-risking strategies form dependency on China for key raw materials.

The domestic pharma market which was about USD 18 billion during FY17, has exhibited a Compounded Annual Growth Rate (CAGR) of 4.5% to reach USD 21 billion during FY21. Further pharma exports, which totalled USD 17 billion during FY17, have reported a CAGR of 10% to touch USD 24 billion during FY21.

As the businesses return to normalcy after two years of lockdowns of varying severity and with the rising number of fully vaccinated people, it is assumed that things should only improve from now on. In recent years, key drug manufacturers have shifted their focus towards external service providers for R&D and manufacturing services, relying more on outsourcing mode of drug development which opens the avenue of contract research and manufacturing. Your Company has built new capacities across locations and has strengthened its product portfolio. With this, your Company is confident of unfolding market opportunities in the future.

RESEARCH AND DEVELOPMENT

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. India is a major generic drug producer globally though it lacks in new drug discovery.

The post pandemic era will reinforce more focus on health care by various governments which will mean more research & development. Technology will be one of the key differentiators in how well healthcare is managed in the future. To broaden access to health through technology, there is a need to establish a strong research and innovation ecosystem. The pharma experts expect that the ongoing Production Linked Incentive (PLI) scheme should include manufacturing Active Pharmaceuticals Ingredients (API) so that the pharmaceutical sector can make a stronger push to achieve self-reliance in raw material production. It is a general belief that to encourage new drug discovery and enable drugmakers to tap more developed markets, incentives for innovation needs to be provided to gain a competitive edge in terms of production, price and quality.

R&D is the core that will power Unichem's future growth through a dual strategy of development of patent non-infringing processes for APIs and development of Novel Drug Delivery Systems (NDDS). The Centre of Excellence in Goa, fuelled by over 300 scientists including over 30 PhDs, is the place where the potential of Unichem is brought to life. Offering the most conducive environment for value-added research, the R&D has to date developed novel, innovative and efficient processes for 77+ new generation molecules and 72+ ANDAs across markets & therapeutic categories. The R&D Centre boasts of a strong synthesis and analytical team with the latest facilities at their disposal. The formulations R&D has State-of-the-Art facilities to undertake formulation development of tablets, capsules, liquid orals and a separate facility for injectable and pre-formulation laboratories to carry out drug-excipient compatibility studies and physical characterization of API.

The R&D Centre undertakes formulation services on contract research and development projects for several leading global pharmaceutical companies. It is also responsible for formulation development and ANDA filings following Quality by Design (QbD) protocol as laid down by the USFDA and has a Bio-Tech facility which engages in developing novel or biosimilar products using Recombinant DNA platform technology.

This financial year, the R&D efforts were strategically focused on reverse engineering, launch planning and cost rationalization efforts. This year resulted in 5 (five) ANDA approvals and 5 (five) launches in the largest generic market of USA and 2 (two) launches in Brazil. We have submitted 6 (six) dossiers in emerging markets. We expect an increase in the number of filings and approvals in time to come.

FINANCIAL PERFORMANCE

Consolidated Operations:

The Company registered Revenue from Operations of ₹ 1,26,983.22 lakhs during the financial year 2021-22 as against ₹ 1,23,513.53 lakhs in the previous year, representing a growth of 2.8%.

The profit after tax for the financial year 2021-22 is ₹ 3,306.17 lakhs as compared to the previous year which was ₹ 3,432.48 lakhs, showing a marginal degrowth of 3.7% for the year.

Standalone Operations:

During the financial year 2021-22, the Company registered Revenue from Operations of ₹ 94,292.66 lakhs as against ₹ 1,12,397.28 lakhs in the previous year, representing a degrowth by 16.1%.

The loss after tax for the fiscal year 2021-22 is ₹ 5,542.96 lakhs against profit after tax in the previous year of ₹ 5,408.23 lakhs.

Capital expenditure carried out during the financial year 2021-22 was ₹ 12,655.90 lakhs.

The gross profit margin at Consolidated level for the financial year 2021-22 was lower by 2% over the previous year mainly due to pricing pressure and change in product mix.

The US business is critical to Unichem as it contributes over 55% of revenues and has been a key growth driver for the Company. The year was marred by price erosion (amid inventory destocking) in the US generics business, elevated prices of intermediates and persistently higher freight cost had weighed on overall performance.

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

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

RISK AND CONCERNS

The pharma sector is highly regulated and frequent compliance with the regulatory changes will always remain a challenge. Any changes in policies concerning drug pricing for the Company's products, price pressure and competition particularly in the US market, the major export region for the Company may impact its performance.

Human capital, virtual care, investment in healthcare and digitization of health records are some of the big challenges facing the healthcare industry. Technology will play a pivotal role in preventive healthcare which will support people to be less reactive and more proactive. The pandemic led to the rapid digital transformation in the health sector, but it also increased the sector's vulnerability to cybercrimes particularly ransomware. With the increased use of technology, and the risk associated with it, cyber security is gaining momentum across organisations.

Like any other sector, your Company is also exposed to risks of tax, regulatory compliances, currency fluctuations, litigations, etc.

Your Company is leveraging the technologies whether in R&D or in operations to eradicate human intervention and make the processes more accurate to reduce the product launch time and ensure fewer rejections.

Unichem management team identifies, measures, monitors and minimizes these risks to ensure a safe, sound and efficient operations. These are internally supervised and monitored through the Core Team Management (CTM). The CTM collaborates with various departments of the organisation to identify and mitigate these risks. The Company has strong monitoring systems, access restrictions, firewalls, and backups to protect its data privacy. During the year, a risk assessment for the organisation was presented to the Risk Management Committee.

OUTLOOK

Global peace has never faced challenges of this significance since World War II. Economic recovery will be severely hampered across the world. This uncertainty poses a downside risk to growth.

The near-term growth is certainly going to get impacted due to war in Europe, which had gone longer than initially expected, posing new challenges - pushing fuel, commodity prices, escalating logistics costs and finally weakening the global demand.

The Indian pharmaceutical industry fears disruption in API and intermediates supply chains as new Covid lockdown in China may have cascading effects on the cargo supplies. India imports 70% of its requirements of raw materials or intermediates from China which may foresee supply constraints if the lockdown continues and have an impact on exports.

On the other hand, as the world returns to normal after pandemic, consumer confidence is gradually returning, the aggregate demand conditions point towards a sustained recovery but the growth could be marred by higher prices due to geopolitical situation, impacting global shortages due to output losses and export restrictions, forcing intermittent supply-side constraints which could sustain higher logistics costs. The world's largest economies are expected to see a deceleration in activity with diminished fiscal support, rising inflation and lingering supply bottlenecks.

Capability, technology, digitization, demographics, lifestyle patterns, communicable and non-communicable diseases are the focus areas for the future healthcare solutions. The future roadmap for the sector promises to center on sustainability, R&D, innovation, upskilling and reskilling. The outlook is one of cautious optimism and it is believed that recovery may be delayed but not derailed.

We believe that apart from ageing and rising population, access to quality healthcare worldwide will drive the pharma industry. The rise in drug approvals by the regulatory bodies as we return to normal after pandemic is expected to fuel pharmaceuticals manufacturing activities. Your Company is well positioned to grow its business on the back of successful international accreditations at its plants and increased number of regulatory filings.

INTERNAL CONTROL SYSTEMS

Your Company has an adequate internal control system commensurate with the nature and size of its business operations. These systems provide reasonable assurance that (i) the transactions are authorized, recorded and reported diligently (ii) the internal policies and procedures are adhered to (iii) it safeguards the resources and assets of the Company (iv) it maintains accuracy and completeness of accounting records, and (v) it mitigates operational and business risks.

Your Company views internal audit and IT system as a vital part of its management control system that keeps management informed about the working and processes of the organisation.

The internal audit function independently tests the design, adequacy and operating effectiveness of the internal control systems and this provides a credible assurance to the Audit Committee regarding its adequacy and effectiveness. The internal audit plan is made at the beginning of the year after it is duly approved by the Audit Committee and its reports are shared with the statutory auditors. These plans are executed by the internal audit team with the support of external audit professionals wherever required. The management duly considers and takes appropriate and timely actions on the recommendations made by the audit committee, statutory auditor, cost auditor and internal auditor.

As part of continuous upgradation, we have put in place latest technology hardware so that a back-up is available at the shortest possible time and data restoration, if required as a part of our business continuity plan. The state-of-the-art firewall technology to safeguard from cyber security and antivirus data security to prevent leakage are part of IT system.

All SOPs training module at all locations has been digitalised through Learning module system. Disaster recovery mechanism for business application and quality instrumental data to support any eventuality are also installed. During the year, we seamlessly completed virtual audits/inspection of plants for various overseas regulatory authorities, a testimony of our robust IT system.

HUMAN RESOURCES

The year 2021-22 continued to be a turbulent year for everyone across the globe. The focus during the year was ensuring business continuity in the face of myriad challenges thrown up by the pandemic. Our 3,100 plus strong employee workforce braved all odds and worked relentlessly amidst lockdown and uncertainty. We are grateful to our employees who worked with a safety-first mindset.

As an organisation, the top priority of the human resources team was to provide a safe and secure work environment to all employees. We responded to the pandemic by strengthening the preventive measures at the sites to avoid large scale spread of infections. Equipment like fever scanning machines, UV machines and air purifiers were installed at our manufacturing sites to make them more secure. Not letting our guard down, stringent Covid protocols were the norm to ensure that our employees continue to work and stay safe. Ensuring 100% vaccination for all employees through concerted drives was a priority as was providing support to employees during such testing times. Programs on health, safety and wellbeing were conducted. Employees infected with Covid were supported with medicines, counselling and hospitalisation where needed and rest and recouperation leave was provided. The medical insurance policy was made more robust to help employees and families cope up in the event of a medical crisis. An OPD policy was introduced wherein the scope of medical support was increased to cover OPD consultations inclusive of investigative reports.

A notable change is made in the way the compliance trainings were administered and monitored in the organisation. SAP Success Factors Learning Management System (LMS) was successfully implemented at four sites under the Unichem Learning Academy. It was a significant step towards the digitization of training records and processes. This has helped everyone to plan the activities in a streamlined way, to complete the documentation and end-user training activities much faster. The cross departmental implementation team ensured maintaining accuracy and quality throughout the entire installation process as per the standards. This milestone will enhance the culture of learning and development from the perspective of optimal and productive utilization of learning resources, which will help deliver training to create skilled human capital effectively.

Our digital employee app and HRMS Uniconnect was expanded to include end-to-end employee lifecycle actions. This ensures not only compliance to systems but also makes available critical data for policy decisions. This also makes it easier for employees to navigate through the system and access their data. Recognising the importance of ensuring and maintaining a robust compliance process, an online compliance dashboard was developed which is a single point solution to manage statutory compliances.

Unichem lays emphasis on aligning career aspirations and personal goals of new hires to synchronise with the organisation goals and values. Our endeavour is to offer them a seamless preboarding and onboarding experience through the HRMS. Our Rewards and Recognition program ensured high levels of engagement and motivation.

The Company offers a congenial work environment offering opportunities to internal talent to make them future ready. Cultivating employee capabilities to drive organisational goals has been an endeavour. We focused on multiskilling to ensure that routine operations are carried out smoothly.

Amid continuing cordial relations, Unichem also signed the three years agreement with its Union at Roha site. Employee policies were revisited, harmonised and revised during the year. We continued to engage with employees and their families though focused remote engagement initiatives, which were well received.

Your Company firmly believes that Human Resource Development strategies and practices will continue to provide sustained competitive advantage. The management of your Company deeply appreciates the spirit and commitment of its dedicated 3,167 employees.

Dr. Prakash A. Mody

Mumbai — Chairman & Managing Director

27th May, 2022 — (DIN: 00001285)

Annexure B to Directors' Report

CORPORATE GOVERNANCE REPORT

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

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

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

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

Board of Directors

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

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

As on 31st March, 2022, Unichem's Board comprised of 6 (six) Directors, namely 2 (two) Whole-time Directors and 4 (four) Non-Executive and Independent Directors, out of which, 1 (one) is an Independent Woman Director. In the wake of the COVID-19 pandemic and to adhere to the lockdown and social distancing norms, the Directors participated in the Meetings of the Board and Committees through video conferencing/other audio-visual means. The Company plans its Board and Committee Meetings well in advance. Unichem's Board met 5 (five) times during the year under review namely 29th May, 2021, 31st July, 2021, 2nd November, 2021, 29th January, 2022 and 31st March, 2022 as given in **Table-1**. The intervening period between 2 (two) Board Meetings was well within the time limit prescribed in the Companies Act, 2013 and the Listing Regulations as amended from time to time. The last AGM of the Company was held on 31st July, 2021 as given in **Table 1**.

The number of Directorships and the positions held by them on Board Committees are in conformity with the limits on the number

Table-1: Composition of Board and attendance of Meetings during the year 2021-2022

Name	Category	No. of Board Meetings held during the year 2021-2022		Whether attended last AGM	No. of Directorships in other public companies*	No. of committee positions in other public companies**		Name of listed companies where directorship held and its category
		Held	Attended			Member	Chairman	
Dr. Prakash A. Mody (DIN: 00001285)	Executive Director (Chairman & Managing Director - Promoter)	5	5	Yes	1	0	0	Kewal Kiran Clothing Limited - Non-Executive, Independent Director
Mr. Dilip Kunkolienkar (DIN: 02666678)	Director Technical (Executive Director)	5	5	Yes	0	0	0	Nil
Mr. Prafull Anubhai (DIN: 00040837)	Non-Executive, Independent Director	5	5	Yes	1	0	1	Vardhaman Textiles Limited - Non-Executive, Independent Director
Mr. Anand Mahajan (DIN: 00066320)	Non-Executive, Independent Director	5	5	Yes	1	1	0	Grindwell Norton Limited, Non-Executive, Promoter Director
Mr. Prafull Sheth (DIN: 00184581)	Non-Executive, Independent Director	5	5	Yes	0	0	0	Nil
Dr. (Mrs.) B. Kinnera Murthy (DIN: 01878144)	Non-Executive, Independent Director	5	5	Yes	2	0	0	Nil

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

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

The number of Directorships and positions held by them on Board Committee are in conformity with the limits on the number of Directorships and Board Committee positions as laid down in the Act and the Listing Regulations as on 31st March, 2022.

of Directorships and Board Committee positions as laid down in the Act and the Listing Regulations, as on 31st March, 2022.

Independent Directors' Meeting

During the year under review, the Independent Directors met on 9th February, 2022 *inter-alia*, to:

a. Review the performance of Non-Independent Directors and the Board as a whole;

b. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and

c. Assess the quality, quantity, and timeliness of the flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors attended the Meeting.

Disclosure of relationships between Directors *inter-se*

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

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

Confirmation by Independent Directors

All Independent Directors have declared that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations. The Board confirms that the Independent Directors fulfill conditions specified in the Listing Regulations and are independent of the Management.

Business Responsibility Report

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

Your Company features in the top 1000 listed entities as per market capitalization calculated as on 31st March, 2022 and hence, the BRR for the financial year ended 31st March, 2022 forms part of this Annual Report.

Dividend Distribution Policy

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

Familiarization programme for Independent Directors

The Company has a familiarization programme for Independent Directors about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company at https://www.unichemlabs.com/pdf/press-release/2022/04/Familiarization-Programme-21-22.pdf.

The Company believes that the Board must be continuously empowered with the knowledge of the latest developments in the

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

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

Company's business and the external environment affecting the Company and the industry. Apart from the financial presentations, business strategies and all other compliance updates are discussed on regular basis at the Board Meetings periodically to familiarize the Directors with the strategy and operations of the Company.

Compliance with the Code of Business Conduct and Ethics

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

All Board members and Senior Management Personnel have affirmed compliance with the said Code for the year ended 31st March, 2022. A declaration to this effect, signed by the Chairman & Managing Director is given below:

Declaration on Code of Business Conduct and Ethics

"In accordance with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st March, 2022".

Dr. Prakash A. Mody

Mumbai — Chairman & Managing Director

10th May, 2022 — (DIN: 00001285)

Audit Committee

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

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

The Company Secretary acts as a Secretary to this Committee.

The Audit Committee met 4 (four) times during the financial year, namely 29th May, 2021, 31st July, 2021, 2nd November, 2021 and 29th January, 2022. The composition of the Committee as on 31st March, 2022 and the details on the number of Audit Committee Meetings held and attended by the Members during the financial year 2021-2022 are given in **Table-2**. The maximum gap between any 2 (two) meetings was well within the time limit prescribed in the Companies Act, 2013 and the Listing Regulations as amended from time to time.

Nomination and Remuneration Committee

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

The Company Secretary acts as a Secretary to this Committee.

The composition of the Nomination and Remuneration Committee during the financial year 2021-2022 is given in Table-3. The said Committee met 2 (two) times during the financial year namely 29th May, 2021 and 29th January, 2022.

Performance evaluation

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

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

Remuneration of Directors

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

Shareholding of the Non-Executive Directors

Details of shares held by Non-Executive Directors as on 31st March, 2022 as given in **Table-5**.

Table-2: Composition and attendance of Audit Committee Meetings during 2021-2022

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

Table-3: Composition and attendance of Nomination and Remuneration Committee Meetings during 2021-2022

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

(₹ in lakhs)

Table-4: Remuneration paid to the Directors for 2021-2022					
Name	**Sitting Fees****	**Commission payable for 2021-2022@**	**Consolidated Salary#**	**Perquisites and Allowances#**	**Total Amount**
*Dr. Prakash A. Mody	NA	Nil	554.88	0.40	555.28
Mr. Dilip Kunkolienkar	NA	NA	186.16	10.27	196.43
Mr. Prafull Anubhai	13.00	NA	NA	NA	13.00
Mr. Anand Mahajan	10.50	NA	NA	NA	10.50
Mr. Prafull Sheth	11.50	NA	NA	NA	11.50
Dr. (Mrs.) B. Kinnera Murthy	12.00	NA	NA	NA	12.00

NA Not Applicable
* Eligible to receive commission @1% of the Net Profits of the Company, computed under Sections 197and 198 of the Act and the Rules made thereunder.
@ However, for the financial year 2021-2022, no commission is payable due to inadequacy of profits in terms of Section 198 of the Companies Act, 2013.
** Sitting fees are exclusive of Goods and Service Tax, paid extra under reverse charge mechanism
# Fixed Component
@ Variable Component

Mr. Kunkolienkar currently holds 75,538 equity shares of the Company, allotted in terms of Employee Stock Option Schemes of the Company. 246,176 options have been granted to Mr. Kunkolienkar in terms of the Employee Stock Option Scheme 2018 yet to be exercised on the vesting date in terms of the said Scheme. The remuneration to Whole-time Directors is approved in terms of Section 198 and Schedule V of the Companies Act, 2013 due to inadequacy of profits. The appointment can be terminated by giving 6 (six) months notice or such other mutually agreed period by the Directors and the Company.

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

The Company has not issued any convertible instruments during the financial year ended 31st March, 2022.

Stakeholders' Relationship Committee

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

The terms of reference of the Committee are wide enough to cover matters specified for the Committee as given under Section 178(5) of the Act and Regulation 20 of the Listing Regulations. The composition of the Stakeholders' Relationship Committee and the details of the number of Meetings held and attended by the Members during the financial year 2021-2022 are given in **Table-6.**

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

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

The Stakeholders' Relationship Committee met 2 (two) times during the financial year namely 29th May, 2021 and 2nd November, 2021. During the year, 1 (one) complaint was received from a Shareholder which had been attended to and no investor complaint was pending at the beginning or the end of the year.

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

Risk Management Committee

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

The Company has procedures for risk assessment and minimization. A section on risk management practices of the Company forms a part of the chapter on Management Discussion and Analysis Report in the Annual Report 2021-2022.

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

Table-6: Composition and attendance of Stakeholders Relationship Committee Meetings during 2021-2022			
Name of Director	**Position**	**Category**	**No. of Meetings attended**
Dr. Prakash A. Mody	Member	Executive Director	2
Mr. Prafull Anubhai	Chairman	Non-Executive, Independent Director	2
Dr. (Mrs.) B. Kinnera Murthy	Member	Non-Executive, Independent Director	2

Table-7: Composition and attendance of the Risk Management Committee Meetings during 2021-2022			
Name of Director	**Position**	**Category**	**No. of Meetings attended**
Dr. Prakash A. Mody	Chairman	Executive Director	2
Mr. Dilip Kunkolienkar	Member	Executive Director	2
Mr. Prafull Sheth	Member	Non-Executive, Independent Director	2

The Company Secretary acts as a Secretary to this Committee.

The Constitution of the Risk Management Committee is given in Table-7. The Committee met 2 (two) times during the financial year namely 2nd November, 2021 and 29th January, 2022.

Corporate Social Responsibility Committee (CSR)

The composition of the Corporate Social Responsibility Committee and the details on the number of Meetings held and attended by the members during the financial year 2021-2022 are given in Table-8. The terms of reference of the said Committee broadly comprise the following and as detailed in the CSR policy of the Company:

a. To review the existing CSR Policy and to make it more comprehensive to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act; and

b. To provide guidance on various CSR activities to be undertaken by the Company and to monitor their progress.

The Committee met 2 (two) times during the financial year on 29th May, 2021 and 29th January, 2022.

The Company Secretary acts as a Secretary to this Committee.

CEO and CFO Certification

The Managing Director and the Deputy Chief Financial Officer have, *inter-alia*, certified to the Board of Directors, the accuracy of financial statements and adequacy of internal controls for financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2022. The certificate was placed before the Board of Directors at its Meeting held on 27th May, 2022.

General Body Meetings

a. Details of last 3 (three) AGM are given in **Table-9**.

b. Resolution passed through Postal Ballot: No Resolution was passed during the year under review.

c. As at 31st March, 2022, no Special Resolution was proposed to be conducted through Postal Ballot.

Disclosures

Related Party Transactions

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

Details of non-compliance

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

Material Subsidiary

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

Table-8: Composition and attendance of Corporate Social Responsibility Committee Meetings during 2021-2022

Name of Director	Position	Category	No. of Meetings attended
Dr. Prakash A. Mody	Chairman	Executive Director	2
Mr. Prafull Anubhai	Member	Non-Executive, Independent Director	2
(Dr.) (Mrs.) B. Kinnera Murthy	Member	Non-Executive, Independent Director	2

Table-9: Details of the last 3 (three) Annual General Meetings (AGM)

AGM	Year	Venue	Date	Time	Items of Special Resolution passed at each Meeting
58th	2020-2021	Through audio-video Conference	Saturday 31st July, 2021	11:30 a.m.	To approve remuneration payable to Dr. Prakash A. Mody Chairman & Managing Director for his remaining tenure of appointment from 1st July, 2021 to 30th June, 2023 in terms of Section 197 and Schedule V of the Companies Act and continuing of his term on attaining 70 years on 14th November, 2022.
57th	2019-2020	Through audio-video Conference	Saturday 29th August, 2020	11:30 a.m.	Payment of remuneration to Dr. Prakash A. Mody, Chairman & Managing Director of the Company, in excess of ₹ 5 crores or 2.5% of the net profits of the Company (whichever is higher) in terms of Regulation 17(6)(e) of LODR Regulations.
56th	2018-2019	Rama Watumull Auditorium Kishinchand Chellaram College (K.C. College) 124, Dinshaw Wachha Road Churchgate, Mumbai - 400 020	Saturday 27th July, 2019	3:00 p.m.	None

Whistle Blower Policy

The Company has in place a Whistle Blower/Vigil Mechanism through which its stakeholders, directors and employees can report their genuine concerns about unethical behaviour and actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics. The said Policy provides for adequate safeguards against victimization and direct access to the Audit Committee. The e-mail id for reporting genuine concerns is whistleblower@unichemlabs.com. The policy is displayed on the Company's website and the weblink of the same is https://www.unichemlabs.com/whistle-blower-vigil-mechanism.php. No person has been denied access to the Audit Committee. No complaint was received during the year under the whistle blower policy.

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

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

Certificate from Company Secretary in practice

The Company has received a certificate dated 27th May, 2022 from Alwyn Jay & Co, Company Secretaries in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

Total fees paid to all statutory auditors

The total fees paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part during the financial year under review, aggregate ₹ 216.84 lakhs.

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

a. number of complaints filed during the financial year: 1

b. number of complaints disposed of during the financial year: 1

c. number of complaints pending as on end of the financial year: 0

Compliance with the Mandatory Requirements of the Listing Regulations

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

Adoption of Non-Mandatory Requirements

The Company has not adopted the non-mandatory requirements of the Listing Regulations.

Management Discussion and Analysis Report

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

Brief profile of Directors seeking appointment/re-appointment

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

Commodity price risk or foreign exchange risk and hedging activities

During the financial year ended 31st March, 2022, the Company managed its foreign exchange risk and hedging to the extent where it considers necessary/permitted. The Company enters forward contracts for hedging foreign exchange exposures against exports. The details of foreign currency exposure are disclosed in the financial statements.

Means of Communication

a. The Unaudited quarterly/half- yearly results are announced within 45 (forty-five) days of the close of the quarter. The audited annual results are announced within the statutory time limits as per the requirement of the Listing Regulations duly amended from time to time.

b. The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper namely, Business Standard. In addition, the same is published in a local language (Marathi) newspaper namely, Sakal, within 48 (forty-eight) hours of approval thereof. In addition to uploading the same on the website of the Company at www.unichemlabs.com, the same is also sent to the Stock Exchange for dissemination.

c. Presentations/Press Releases if any, made to the institutional investors and/or analysts are also posted on the Company's website and sent to the Stock Exchanges where the Company shares are listed.

d. The quarterly results, shareholding pattern, quarterly compliances and all other corporate communications to the Stock Exchanges namely BSE Limited and NSE Limited are filed electronically. The Company has complied with filing submissions through the BSE Listing Centre. The said information is also filed electronically with NSE through the NEAPS portal.

e. A separate dedicated section under "Investors", on the Company's website gives information on unclaimed Dividends, shareholding patterns, quarterly/half-yearly results and other relevant information of interest to the investors/public.

General Shareholder Information

Date, Time and Venue of the 59th AGM

Date: Tuesday, 9th August, 2022

Time: 2:00 p.m.

Venue: Through Video Conference

Due to the Covid-19 pandemic, the AGM for the financial year 2021-2022 will be held through Video Conference or other means of Audio-Visual Mode (OAVM) as permitted by the Regulators.

Financial Year: 1st April, 2021 to 31st March, 2022

Dates of Book Closure

Wednesday, 3rd August, 2022 to Tuesday, 9th August, 2022.

Dividend Payment Date

Dividend of ₹ 4/- (200%) per share having a face value of ₹ 2/- fully paid for the year 2021-2022 has been recommended by the Board of Directors. If approved by the Members at the ensuing AGM, the same will be paid to the Shareholders by Saturday, 20th August, 2022.

Stock Exchanges on which shares are listed

Bombay Stock Exchange of India Limited (BSE)

National Stock Exchange of India Limited (NSE)

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

Stock Codes

BSE 506690

NSE UNICHEMLAB

Unclaimed Dividend

The dividend remaining unclaimed for 7 (seven) years will be transferred to the Investor Education and Protection Fund as per the Act and Rules made thereunder. Shareholders who have not claimed their dividends may do so before these are statutorily transferred and are requested to immediately approach the Investor Relations Department of the Company for the issue of duplicate dividend warrants. Please refer to **Table-10** for these details.

Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Table-11.

Registrar and Share Transfer Agents (RTA)

Link Intime India Private Limited

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

Tel.: (022) 4918 6000 • Fax.: (022) 4918 6060

E-mail Id: mumbai@linkintime.co.in

Share Transfer System

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

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

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

Table-10: Unclaimed Dividend

Financial year	Type of dividend	Date of declaration of dividend	Proposed date of transfer to IEPF
2014-2015	Final	11.07.2015	16.08.2022
2015-2016	Interim	09.03.2016	14.04.2023
2016-2017	Final	22.07.2017	27.08.2024
2017-2018	Final	28.07.2018	02.09.2025
2018-2019	Final	27.07.2019	01.09.2026
2019-2020	Final	29.08.2020	04.10.2027
2020-2021	Final	31.07.2021	05.09.2028

Table-11: Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	No. of shareholders	No. of shares
Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at 1st April, 2021	38	81,440
(Less): Number of Shareholders who approached the Issuer for transfer of shares from the Unclaimed Suspense Account and to whom the shares were transferred from the Unclaimed Suspense Account	2	2,040
Add: Number of Shareholders and their shares transferred to Unclaimed Suspense Account during the year	0	0
(Less): Number of shares transferred from Unclaimed Suspense Account to the IEPF authority during the financial year 2021-2022	5	37,030
Aggregate number of outstanding equity shares in the Unclaimed Suspense Account as at 31st March, 2022	31	42,370

Dematerialisation of Shares and Liquidity

As on 31st March, 2022, 97.25 % of the paid-up share capital had been dematerialized.

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

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

Plant locations: The data is given on the insider cover of the Annual Report.

Credit Rating: ICRA, the credit rating agency has reaffirmed the long-term rating of [ICRA] A (pronounced ICRA A). The outlook on the long-term rating has been revised to negative from stable. This Rating indicates to have adequate degree of safety regarding timely servicing of financial obligations.

Address for correspondence

Registered Office

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

For Secretarial matters

Ms. Shalini Kamath/Mr. Dilip Bhor
Unichem Bhavan, Prabhat Estate, Off S. V. Road
Jogeshwari (West), Mumbai - 400 102
Tel.: (022) 6688 8478 / 439
E-mail Id.: shares@unichemlabs.com

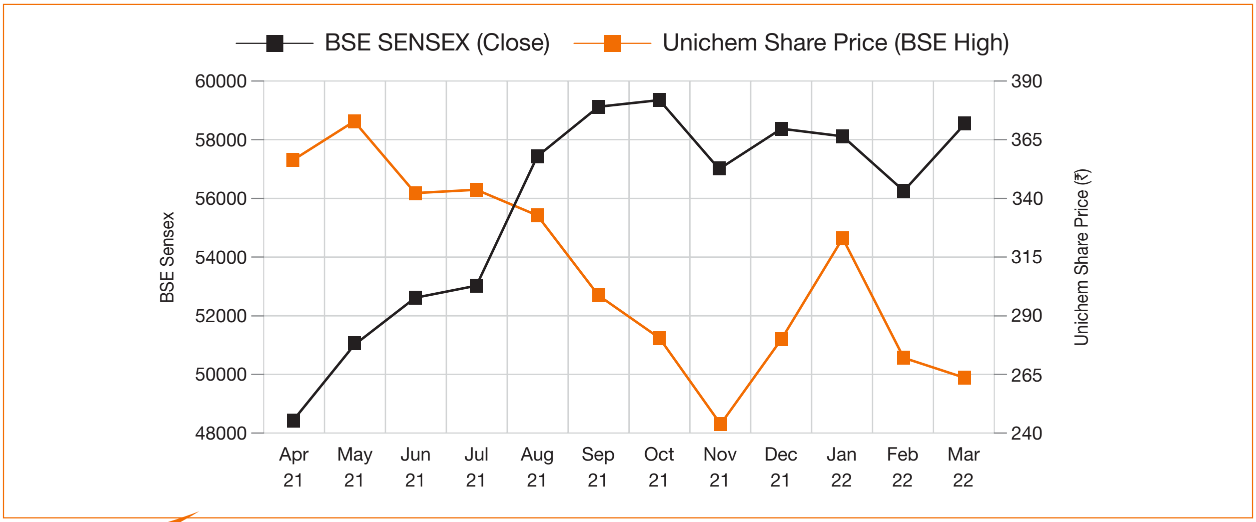
Market Price data (Figures in ₹)

Month	High (BSE)	Low (BSE)	High (NSE)	Low (NSE)
April, 2021	356.45	304.25	357.70	304.05
May, 2021	374.90	320.00	375.00	320.05
June, 2021	343.95	309.10	344.95	314.45
July, 2021	345.00	319.70	345.00	323.80
August, 2021	331.80	252.20	325.00	252.10
September, 2021	297.70	253.10	298.85	253.00
October, 2021	279.15	233.35	278.80	231.90
November, 2021	246.45	197.50	246.70	198.00
December, 2021	274.90	208.10	274.90	208.70
January, 2022	322.00	244.00	322.35	248.00
February, 2022	270.85	230.65	270.80	232.55
March, 2022	262.05	239.95	263.00	239.50

Distribution of Shareholding on 31st March, 2022

Sr. No.	No. of shares held (From - To)	No. of Shareholders	% of Total Shareholders	No. of shares	% of Issued Capital
1	up to – 500	28,299	81.93	32,43,476	4.61
2	501 – 1,000	2,375	6.88	18,47,163	2.62
3	1,001 – 2000	1,848	5.35	27,35,272	3.89
4	2,001 – 3,000	675	1.95	17,00,049	2.41
5	3,001 – 4,000	336	0.97	11,96,156	1.70
6	4,001 – 5,000	292	0.85	13,41,681	1.91
7	5,001 – 10,000	420	1.22	28,70,996	4.08
8	10,001 – Above	294	0.85	5,54,70,957	78.78
	Total	**34,539**	**100.00**	**7,04,05,750**	**100.00**

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



Shareholding Pattern as on 31st March, 2022

Sr. No.	Category	Shares	Total %
1	Promoters	3,57,22,664	50.74
2	Promoter – Trust	1,38,351	0.19
3	Mutual Funds	57,60,005	8.19
4	Alternate Investment Funds–III	7,75,068	1.10
5	Insurance Companies	1,91,853	0.27
6	Financial Institutions / Banks	22,900	0.03
7	Other Bodies Corporate	7,99,047	1.13
8	Body Corp-Ltd Liability Partnership	9,46,788	1.34
9	Trusts	57,600	0.08
10	Hindu Undivided Family	10,92,133	1.56
11	Resident Individuals	2,09,86,191	29.81
12	Directors/Relatives (other than Promoter Directors)	1,64,360	0.23
13	Non Resident Indians (Repatriable)	10,25,840	1.46
14	Non Resident (Non Repatriable)	9,54,713	1.35
15	Foreign Nationals	4,646	0.00
16	Foreign Portfolio Investors (Corporate)	10,35,258	1.48
17	Foreign Banks	500	0.00
18	Clearing Members	52,655	0.08
19	Market Maker	2	0.00
20	Unclaimed Suspense Account	42,370	0.06
21	Investor Education and Protection Fund	6,32,806	0.9
	Total	**7,04,05,750**	**100.00**

Financial Calendar (Tentative)

Results for the Quarter and Year ending on	Tentative date
Unaudited results for the first quarter ending 30th June, 2022	Within 45 days from the end of the quarter
Unaudited results for the second quarter and half year ending 30th September, 2022	Within 45 days from the end of the quarter
Unaudited results for the third quarter and nine months ending 31st December, 2022	Within 45 days from the end of the quarter
Audited results for year ending 31st March, 2023	Last week of May 2023

Auditors Certificate

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

For and on behalf of the Board of Directors,

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

Mumbai
27th May, 2022

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, 2022 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, 2022.

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, 2022, the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations as applicable mentioned in para 1 above.

8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on use

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

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

Milan Mody
Partner
Membership No.: 103286
UDIN: 22103286AJSRVV2437

Mumbai
27th May, 2022

Annexure C to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2021-22

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

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

   Your Company believes in the philosophy of giving back. Our CSR programmes are initiated with a mission of creating a change in the life of the underprivileged communities particularly in the areas around the Company's locations. Being in the pharmaceutical industry your Company's primary focus is healthcare. Also, your Company focuses on various CSR activities such as education, health and sanitation, women empowerment, protection of the environment, and general welfare.

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

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

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

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

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

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

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

6. **Average net profit/(loss) of the Company as per Section 135(5):** ₹ (2,293.26) lakhs

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

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

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

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

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

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

Note1: There was no mandatory requirement for the Company to spend on CSR activities for the financial year 2021-22. However, the Company has made an excess spend of ₹ 63.22 lakhs for the financial year 2021-22. Further, the total amount of ₹ 63.22 lakhs includes ₹ 2.60 lakhs which has remained unutilized with an implementing agency as on 31st March, 2022. In terms of the provisions of Section 135 of the Companies Act, 2013, the requirement for transfer of unutilized amount under sub-section (5) and (6) of the Companies Act, 2013 shall not be applicable for non-mandatory CSR expenditure.

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

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

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

Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area Yes/No	Location of the project		Amount spent in the current financial year	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Financial assistance for schools, junior colleges, hostel for Adivasi girls and other educational activities for the underprivileged	(i)	No	Maharashtra and Gujarat	Raigad and Kutch	5.00	No	Yusuf Meherally Centre	CSR00006724
2	College on Wheels -Education at the doorstep - For girls staying in villages and who cannot enroll in colleges	(ii)	No	Gujarat	Nadiad	24.00	No	Sardar Vallabhbhai Samaj Seva Trust	CSR00007921
3	Free eye check-ups and surgeries for the economically weak section of the society	(i)	No	Pan India	-	25.00	No	Vision Foundation of India	CSR00002065

(₹ in lakhs)

Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area Yes/No	Location of the project		Amount spent in the current financial year	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - through Implementing Agency	
				State	District			Name	CSR Registration Number
4	Education scholarship to financially weak students pursuing pharmacy course	(i)	No	Pan India	-	6.25	No	Indian Pharmaceutical Association, Maharashtra Branch	CSR00017338
5	Little Hearts Surgery - (Pediatric)	(i)	No	Various Districts in Maharashtra	-	2.60	No	Bombay Midtown Rotary Trust	CSR00023303
6	Provision of a 2 Ton AC in Digital X Ray room at a Government Hospital at Pithampur	(i)	Yes	Madhya Pradesh	Pithampur	0.37	Yes	-	-
	Total					**63.22**			

(d) **Amount spent in administrative overheads:** Nil

(e) **Amount spent on impact assessment, if applicable:** Not applicable

(f) **Total amount spent for the financial year (8b+8c+8d+8e):** ₹ 63.22 lakhs (Refer Note 1 above)

(g) **Excess amount for set off, if any:**

Sr. No.	Particulars	₹ in lakhs
i	Two percent of average net profit of the Company as per Section 135(5)	Nil
ii	Total amount spent for the financial year	63.22 (Refer Note 1 above)
iii	Excess amount spent for the financial year [(ii)-(I)]	63.22
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	63.22

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

Sr. No.	Preceding financial year	Amount transferred to unspent CSR account under Section 135(6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
Nil							

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

Sr. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year	Status of the project completed/ ongoing
Nil								

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

(a) **Date of creation or acquisition of the capital asset(s):** Nil

(b) **Amount of CSR spent for creation or acquisition of capital asset:** Nil

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Nil

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Nil

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

Not applicable

For and on behalf of the Board & CSR Committee,

Dr. Prakash A. Mody
Managing Director & Chairman of the CSR Committee
(DIN: 00001285)

Mumbai
27th May, 2022

Annexure D to Directors' Report

Form AOC - 1

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

Part "A" : Subsidiaries

(₹ in Lakhs)

1	Sl. No.	1	2	3	4	5	6
2	Name of the Subsidiary	Unichem Farmaceutica Do Brasil Ltda.	Unichem Laboratories Limited, Ireland	Unichem Pharmaceuticals (USA) Inc.	Niche Generics Limited	Unichem S.A (Proprietary) Limited	Unichem (China) Pvt. Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 2021 to March 2022	April 2021 to March 2022	April 2021 to March 2022	April 2021 to March 2022	April 2021 to March 2022	April 2021 to March 2022
4	Reporting currency	BRL	EURO	USD	GBP	ZAR	RMB
5	Exchange rate as on the last date of the relevant financial Year in the case of foreign subsidiaries	1 BRL = ₹15.90	1 EURO = ₹ 84.51	1 USD = ₹ 75.74	1 GBP = ₹ 99.40	1 ZAR = ₹ 5.04	1 RMB = ₹ 11.82
6	Share Capital	4,791.26	2,332.48	5,141.18	5,591.25	9.58	397.14
7	Reserves & Surplus	(5,874.12)	(2,499.52)	11,749.95	(5,519.28)	248.62	(332.26)
8	Total Assets	2,349.98	128.61	51,277.42	5,830.36	724.90	66.68
9	Total Liabilities	3,432.84	295.65	34,386.29	5,758.39	466.70	1.80
10	Investments	-	-	-	-	-	-
11	Turnover	2,821.01	415.09	73,429.46	8,210.93	1,597.54	1.11
12	Profit/ (Loss) before Taxation	259.77	(122.77)	4,113.07	(420.63)	170.96	(178.11)
13	Provision for Taxation	-	-	(880.29)	-	(47.95)	-
14	Profit/ (Loss) after Taxation	259.77	(122.77)	3,232.78	(420.63)	123.01	(178.11)
15	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil
16	% of share holding	100	100	100	100	100	100

Notes:

1 Names of Subsidiaries which are yet to commence operations: None
2 Names of Subsidiaries which have been liquidated or sold during the year: None
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 10 are given based on the exchange rates as on 31st March, 2022 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, 2021
3	Shares of Associate held by the company on the year end: No. of shares Amount of investment in Associate Extend of Holding %	 2,08,333 ₹ 569.31 Lakhs 32.11%
4	Description of how there is significant influence	Percentage of holding of share capital
5	Reason why the associate is not consolidated	Not Applicable
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 164.27 Lakhs
7	Profit/Loss for the year: i. Considered in Consolidation (as per unaudited financial statements for FY 2021-22) ii. Not considered in Consolidation	 ₹ (106.10) Lakhs 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

Sandip Ghume
Deputy Chief Financial Officer

Pradeep Bhandari
Head - Legal & Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

Place: Mumbai
Date: 27th May, 2022

Annexure E to Directors' Report

AOC - 2

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.]

Form for disclosure of particulars of contracts/arrangements entered by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contract or arrangement or transaction not on arm's length basis/not in ordinary course of business during the financial year ended 31st March, 2022:**

(a)	Name of the related party and nature of relationship	Synchron Research Services Private Limited (Synchron), an Associate Company of the Company.
(b)	Nature of contract/arrangement /transaction	Leasing of the Company's premises located at Rituraj, Moje Bodakdev, Taluka-Ahmedabad to Synchron.
(c)	Duration of the contract/arrangement/transaction	1st February, 2021 to 31st January, 2022. The Lease Agreement was mutually terminated on 29th November, 2021.
(d)	Salient terms of the contract or arrangement or transaction including the value if any	Rent of ₹ 3.84 lakhs per month with a Security deposit was ₹ 7.50 lakhs
(e)	Justification of entering such contract or arrangement or transaction	Synchron is a contract research organization in India that offers clinical trial services to domestic and international pharmaceutical and biopharmaceutical companies. This Related Party Transaction was on arm's length basis but is not in the ordinary course of business.
(f)	Date of approval by the Board	30th January, 2021
(g)	Amount paid as advances if any	Nil
(h)	Date on which the Ordinary Resolution was passed	Not applicable

2. **Details of material contract or arrangement or transaction on arm's length basis during the financial year ended 31st March, 2022:**

(a)	Name of Related Party	Unichem Pharmaceuticals (USA) Inc, a Wholly Owned Subsidiary (WOS) of the Company.
(b)	Nature of contract/arrangement /transaction	Sale of finished goods
(c)	Duration of the contract/arrangement /transaction	Ongoing
(d)	Salient terms of the contract or arrangement or transaction including the value, if any	Sale of finished goods to the said WOS during the financial year 2021-22 amounted to ₹ 48,191.58 lakhs. These transactions were on arm's length basis and in the ordinary course of business and was based on transfer pricing guidelines.
(e)	Date of approval by the Board	Not applicable (Exempt under Section 188(1) of the Companies Act, 2013, the Rules made thereunder and the Listing Regulations).
(f)	Amount paid as advances if any	Nil

For and on behalf of the Board of Directors,

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

Mumbai
27th May, 2022

Annexure F to Directors' Report

Form No. MR 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,
The Members,
Unichem Laboratories Limited

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

Subject to limitation of physical interaction and verification of records caused by COVID-19 Pandemic restrictions, the Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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, 2022 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.

(vi) Other specific business/industry related laws applicable to the Company:
  1. Drugs and Cosmetics Act, 1940 and related Rules
  2. Drugs Pricing Control Order, 2013
  3. The Pharmacy Act, 1948
  4. Trade Marks Act, 1999
  5. Indian Copyright Act, 1957
  6. The Drugs and Magic Remedies (Objectionable Advertisement) Act,1954
  7. The Narcotic Drugs and Psychotropic Substances Act, 1985 and
  8. Food Safety and Standards Act, 2006
  9. Legal Metrology Act, 2009

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

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

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and

(ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

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

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

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board/Committee of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairman of the Meeting. However, due to COVID – 19 Pandemic restrictions, the minutes of the Board meetings and Committee meetings were physically signed at a later date.

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

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

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

2. Mr. Dilip Janardan Kunkolienkar, who has already attained the age of 70 years, was re-appointed as a Whole Time Director of the Company, designated as Director Technical, for a further period of three years with effect from 1st April, 2021 which was approved by the Shareholders on 27th May, 2021 with requisite majority.

Mumbai
27th May, 2022

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

Jay D'Souza
FCS 3058
Partner
Certificate of Practice No.: 6915
UDIN.: F003058D000402391

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

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

Annexure A

To
The Members,
Unichem Laboratories Limited

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Unichem Laboratories Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further, part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 Pandemic restrictions and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Mumbai
27th May, 2022

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

Jay D'Souza
FCS 3058
Partner
Certificate of Practice No.: 6915
UDIN.: F003058D000402391

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

Annexure G to Directors' Report

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

a. Conservation of Energy

(i) Steps and impact:

- Replaced Mercury and Sodium Vapour, Metal Halide and Compact Fluorescent Lamps (CFL) with Light-Emitting Diode (LED) Lights being more energy efficient and having higher average lifespan.
- Installed temperature controllers for Cooling Tower Fan operation thereby reducing the operating hours of fan motors.
- Installed flash vessel for steam condensate resulting into saving in fuel consumption of boilers.
- Door Limit Switches provided for interlocking operation of Air Curtains to operate only when door is opened.
- Timer provided to streetlights to switch on only when natural light reduces.
- Variable Frequency Drive installed for potable water distribution system pump and Air Handling Unit (AHU) blower leading to a reduction in electricity consumption.
- Replaced standard metallic cooling tower fans with energy-efficient E-glass epoxy FRP Fans.
- Reverse Osmosis (RO) - reject water was taken directly to cooling towers as make-up water and to washrooms thus, reducing the water consumption.
- Arrested leakages in compressed air systems by testing through ultrasonic leak detectors in hard-to-reach areas thus, arresting losses and saving in power.
- Maintaining power factor near to unity and getting incentives.
- Hot water generated through energy efficient PHE instead of conventional hot water generators.
- Steam condensate recovery system installed for boilers thus, saving both water and fuel.
- Rainwater harvesting has been implemented which ensures that ground water table is recharged.

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

- Roof top solar panel installed to generate and supply power to Admin Building.
- In Goa unit 2, we have installed chillers which can produce warm water for AHUs which eliminates use of steam of boiler and thus, saving in boiler fuel cost.

(iii) Capital investment on energy conservation equipment: Nil

RESEARCH AND DEVELOPMENT

b. Technology Absorption

(i) Efforts towards technology absorption:

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

(ii) Benefits derived:

- On time dossier submissions for identified geographies.
- Launching of new products in international markets in various therapeutic segments.
- Products developed for the international market will result in increased business to the Company.
- Approval of first ANDA under Para IV certification by the USFDA.
- Successful API Validation of "First To File ANDA" project enabling potential customers to file PIV on NCE -1 date.
- Filing of patent applications.
- Reduction in the number of regulatory queries leading to speedy approvals.
- Established complex generics development facility for development and filing of high-value niche products.
- Product life cycle management with continuous product improvement and cost optimization.
- R&D in biotechnology has resulted in leveraging recombinant enzyme technology to carry out some of the chemical transformations like stereospecific reduction, stereo specific reductive amination leading to substantial raw material cost savings and greener technologies.
- Successful progression of NCE and NBE projects closer to Pre IND stage.

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

(iv) Expenditure incurred on Research and Development: The Company has incurred a total expenditure of ₹ 11,895.71 lakhs (includes capital and recurring expenses) towards Research and Development.

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

Earnings in foreign currency FY 2021-22: ₹ 87,920.12 lakhs

Outgo (including imports) in foreign currency FY 2021-22: ₹ 13,452.54 lakhs

For and on behalf of the Board of Directors,

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

Mumbai
27th May, 2022

Annexure H to Directors' Report

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

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22:

Sr. No.	Name of the Director	Ratio
1	Dr. Prakash A. Mody (Chairman & Managing Director)	135:1
2	Mr. Dilip Kunkolienkar (Director Technical)	48:1

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

(ii) The percentage increase/(decrease) in the remuneration of each Director, Chief Financial Officer and Company Secretary or Manager during the financial year 2021-22:

Sr. No.	Name	% increase/(decrease)
1	Dr. Prakash A. Mody (Chairman & Managing Director)	2.33%
2	Mr. Dilip Kunkolienkar (Director Technical)	8.53%
3	*Mr. Sandip Ghume (Deputy Chief Financial Officer)	20.00%
4	Mr. Pradeep Bhandari (Head - Legal & Company Secretary)	10.00%

*Does not include one-time incentive

(iii) The percentage increase in the median remuneration of employees during the financial year 2021-22 : 4.84%

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

There were 3,167 permanent employees on the rolls as on 31st March, 2022.

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

Average increase in remuneration of managerial personnel is 9.98% and increase for employees other than managerial personnel is 10.55%.

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

For and on behalf of the Board of Directors,

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

Mumbai
27th May, 2022

Annexure I to Directors' Report

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L99999MH1962PLC012451
2. Name of the Company: Unichem Laboratories Limited
3. Registered address: Unichem Bhavan, Prabhat Estate, Off S.V.Road, Jogeshwari (West), Mumbai 400 102
4. Website: www.unichemlabs.com
5. E-mail id.: shares@unichemlabs.com
6. Financial year reported: 1st April, 2021 to 31st March, 2022
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

   The Company is engaged in the business of pharmaceuticals under Group 210 and Class 2100 as per the National Industrial Classification 2008 (NIC) by the Central Statistical Organization, Ministry of Statistics and Programme Implementation.
8. List 3 (three) key products/services that the Company manufactures/provides (as in balance sheet):

   The 3 (three) key products are Generics (including branded generics), Active Pharmaceutical Ingredients and Contract Manufacturing.
9. Total number of locations where business activity is undertaken by the Company:

   (a) Number of International Locations (Provide details of major 5):

   The Company has 6 (six) Wholly Owned Subsidiaries (WOS) located in the USA, UK, Ireland, Brazil, South Africa and China.

   (b) Number of National Locations:

   The Company has 6 (six) plants situated at Roha, Maharashtra; Pilerne, Goa; Baddi, Himachal Pradesh; Pithampur, Madhya Pradesh; Ghaziabad, Uttar Pradesh and Kolhapur, Maharashtra. The R&D Centre called the Center of Excellence is located at Pilerne, Goa. The Company's Registered Office is located at Mumbai, Maharashtra. Details are available on the inside cover page of the Annual Report for 2021-22.
10. Markets served by the Company – Local/State/National/International:

   The Company is into international business. The Company exported to over 75 (seventy five) countries across the globe during the financial year 2021-22.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up capital (INR): 1,408.12 lakhs
2. Total turnover (INR): 94,292.66 lakhs (revenue from operations as per standalone financial statements)
3. Total loss after taxes (INR): 5,542.96 lakhs (as per standalone financial statements)
4. What was the Company's spending on CSR activities for the year under review?

   There was no mandatory requirement for the Company to spend on CSR activities for the financial year ended 31st March, 2022. However, the Company has made an excess spend of ₹ 63.22 lakhs for the financial year 2021-22. Further, the total amount of ₹ 63.22 lakhs includes an amount of ₹ 2.60 lakhs which has remained unutilized with an implementing agency as on 31st March, 2022. In terms of the provisions of Section 135 of the Companies Act, 2013, the requirement for the transfer of unutilized amount under sub-section (5) and (6) of the Act, shall not be applicable for non-mandatory CSR expenditure.
5. List of activities in which expenditure in 4 above has been incurred:

   (a) Education

   (b) Health

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company/ companies?

   As on 31st March, 2022, the Company has 6 (six) WOS based outside India.
2. Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

   The Company encourages its WOS to adhere to business principles consistent with those of the Company. The WOS is incorporated outside India and comply with the requirements of the respective countries where they operate.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]:

   The Company expects all its third-party business partners to adhere to the business principles consistent with those of the Company and encourages them to participate in its business responsibility initiatives. However, it does not track the actual participation.

SECTION D: BR INFORMATION

1. Details of the BR head and the Director responsible for implementation of the BR Policy/policies:

Sr. No.	Particulars	Details
1	DIN	00001285
2	Name	Dr. Prakash A. Mody
3	Designation	Chairman & Managing Director
4	Telephone number	(022) 6688 8404
5	E-mail id	shares@unichemlabs.com

2. Principle-wise (as per NVGs) BR policy/policies:

   (a) Details of compliance (Reply in Y/N)

   The details of the compliance are given in **Table-1**.

   (b) If answer to the question at serial number 1 against any principle is 'No', please explain why: (Tick up to 2 options)

   Refer **Table-2**.

Table-1. Principle-wise (as per NVGs) BR policy/policies										
Sr. No.	Questions	Business Ethics	Product Responsibility	Well Being of Employees	Share holders Engagement Policy	Human Rights Policy	Environment Policy	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for?	Y	Y	Y	Y	Y (See Note 1)	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	See Note 2	See Note 2	See Note 2	See Note 2	See Note 2	See Note 2	-	See Note 2	See Note 2
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by HR Head)	Y (Signed by MD)	-	Y (Signed by MD)	Y (Signed by MD)
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	See Note 3	See Note 3	See Note 3	See Note 3	Available on the intranet of the Company	See Note 3	-	See Note 3	See Note 3
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies/to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	-	N	N

Note 1: The policy is broadly covered in various HR policies and practices and in the Company's Code of Business Conduct and Ethics.
Note 2: All the policies of the Company abide by the laws of the country.
Note 3: The link for viewing the policies is:
https://www.unichemlabs.com/business-responsibility-policies.php;
https://www.unichemlabs.com/corporate-social-responsibility.php;
https://www.unichemlabs.com/code-of-business-conduct-ethics.php.

Table-2		
Sr. No.	Questions	P7 (Public Policy) - The Company does not have Public Policy
1	The Company has not understood the Principles	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-
3	The Company does not have financial or manpower resources available for the task	-
4	It is planned to be done within next 6 months	-
5	It is planned to be done within the next 1 year	-
6	Any other reason (please specify)	The Company is a member of various trade bodies, chambers and associations through which it has been advocating from time to time, in a responsible manner, on suggested measures to be taken by the Government to address issues related to the pharmaceutical industry.

3. Governance related to BR:
   (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:

   The BR performance is evaluated annually.

   (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

   The Company publishes a Business Responsibility Report annually and it is part of the Annual Report for the financial year 2021-2022 and the link for the same is https://www.unichemlabs.com/pdf//Business-Responsibility-Report.pdf.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (Business Ethics)

1. Does the Policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

   The Company has a policy on Code of Business Conduct and Ethics and a Whistle Blower Policy which is applicable to the Directors, employees and all other stakeholders. The Company also has in place the policy for Prevention of Sexual Harassment at the Workplace which applies to all stakeholders. These policies are posted on the website of the Company at www.unichemlabs.com and on the intranet of the Company. These policies empower Directors, employees and all other stakeholders to report unethical behaviour, sexual harassment, actual or suspected fraud or violation of the Company's policies. These policies provide for swift redressal and institute specific mechanisms to deal with reported incidents. Allegations reported if any, under the above are investigated with support from other functions wherever necessary. Any report that reveals fraud, a significant compliance breach or a significant internal control weakness is addressed by corrective action and/or disciplinary action and/or legal proceedings.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so:

   During the year under review, the Company has received 1 (one) complaint pertaining to violation of the policy for Prevention of Sexual Harassment at Workplace which has been resolved at the end of the year. There were no complaints received under the Whistle Blower Policy and the Code of Business Conduct and Ethics for the year under review.

Principle 2 (Product Responsibility)

1. List up to 3 (three) of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:

   The Company's Research & Development Center of Excellence at Goa constantly strives to inculcate advanced therapies and cutting-edge technologies to enhance health through its quality products. The Company promotes environmental protection and insists on complying with all applicable environmental regulations. The environmental policy emphasizes being a caring Company, which shall protect and promote the environment by complying with applicable regulations to prevent pollution in all its operations.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
   (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain:

   The Company manufactures and sells generic formulations and active pharmaceutical ingredients at its world-class accredited manufacturing plants. Since consumption per unit depends on the product mix, there are no specific standards to ascertain the reduction achieved at the product level. The Company continues to adopt energy conservation initiatives and constantly strives to provide quality products while making concerted efforts to minimize the impact on the environment. Quality and safety have been implemented across the value chain of the Company, right from raw materials procurement to product delivery.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year:

   The Company's products do not have any broad-based impact on energy and water consumption by consumers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so:

   The Company has laid out procedures for choosing its suppliers. These procedures must be strictly complied with by our partners. Our supply chain strategy emphasizes sustainable procurement and the Company makes efforts to encourage local sourcing of material. The Company has Standard Operating Procedures (SOPs) for appointing vendors. Materials are sourced from approved vendors both locally and internationally. The Company conducts regular audits for these vendors. The frequency depends on the key materials procured and their value. The audits include sample approvals and performance trials. The Company has developed a long-standing business relationship with these vendors. Annual freight contracts for the movement of materials are executed with local and national transporters of repute and good credit standing.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding the place of work?
   (a) If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

   The Company procures materials and avails services from all over the country, with preference to those located around its manufacturing facilities. Small vendors who fit into the standard operating norms of the Company are also appointed to supply materials. The Company saves on transportation as well as inventory carrying costs because of procurement of material from the local vendors. As a procurement policy, the Company sources many of its packaging materials from vendors located in areas surrounding the manufacturing plants. The Company encourages all small manufacturers to develop quality manufacturing units in and around the Company's manufacturing locations.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so:

   The Company focuses on reducing waste at source and finds ways to maximise recycling. The Company handles and disposes waste in an environmentally responsible way and complies with the applicable regulations. The Company's waste management practice includes regular monitoring, safe disposal of and treatment. The Company has in place a mechanism for recycling products and waste. The waste generated in the Company's operations is either recycled or disposed safely. Every manufacturing facility has its own Effluent Treatment Plant (ETP) which ensures that the discharge of treated effluent is within the limits stipulated by the respective pollution control boards. To conserve water, the Company has devised various water saving methods which are monitored on a day-to-day basis. About 79% of the waste water generated in plants is recovered, recycled and reused thereby saving usage of fresh water. Treated water is used for gardening and sanitation.

   At the manufacturing units, several green initiatives have been undertaken, most significant being soil conservation, recycling of treated effluent water and using solar energy for street lighting. 44 KW Solar unit is installed at Roha facility which has generated @ 22000 KWh energy resulting in saving of 21 t Co2 emission. Other Energy saving initiatives has helped to reduce 926 t Co2 emission.

   In addition, the Company has a zero liquid discharge plant at its API facility wherein water will be reused in the utility processes either in cooling towers or steam generation boilers.

Principle 3 (Well being of Employees)

The Company is committed to providing a safe and conducive work environment to all its employees. All our policies and practices promote this commitment.

The section on Human Resources mentioned in the Management Analysis and Discussions Report has outlined the various activities undertaken for the well being of our employees.

1. Please indicate the total number of employees:

   As on 31st March, 2022, the Company had 3,167 permanent employees.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

   888 as on 31st March, 2022.

3. Please indicate the number of permanent women employees:

   315 as on 31st March, 2022.

4. Please indicate the number of permanent employees with disabilities:

   Nil as on 31st March, 2022.

5. Do you have an employee association that is recognised by management?

   The Company's manufacturing location at Roha has a Union recognized by the management. The HR regularly interacts with the Union to address matters related to their health, safety and wages.

6. What percentage of your permanent employees is a member of this recognised employee association?

   About 4.30% of the permanent employees are members of recognized employee association.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

   Refer **Table-3**.

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

   (a) Permanent Employees: Over 90% of operating personnel are trained in safety and skill upgrading. Safety training and skill up-gradation are imparted to employees at the time of joining. Thereafter, training on firefighting and first aid is imparted at scheduled intervals.

   (b) Permanent Women Employees: More than 80% of the permanent women employees are trained in safety and no discrimination is being made while imparting training to women employees vis-à-vis their male counterparts.

   (c) Casual/Temporary/Contractual Employees: Over 80% of operating functions are trained.

   (d) Employees with Disabilities: The Company does not have employees with disabilities.

Principle 4 (Stakeholders Engagement)

1. Has the Company mapped its internal and external stakeholders?

   Our stakeholders are persons, groups or entities who are directly impacted by our activities and decisions and those who can influence our operations. In line with our ethos of conducting business transparently and ethically, we have established an effective stakeholder communication model. We regularly engage with our stakeholders to identify and assess their needs, which form a critical part of our overall business strategy. The Company promptly informs the stock exchanges of all information having bearing on its operation and performance which enables various stakeholders to make an informed decision about the Company. The major stakeholders identified by the Company are its customers, business associates, patients, suppliers, vendors, employees, shareholders, investors, regulatory authorities, government organizations, intermediaries and communities.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

   Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof in about 50 words or so:

   The Company through its Corporate Social Responsibility programmes has identified disadvantaged, vulnerable and

Table-3

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	01	Nil
3	Discriminatory employment	Nil	Nil

marginalized stakeholders. These include among others, families and children who cannot afford quality health and education, communities from low socio-economic strata such as adivasis, education on wheels to girls who cannot enroll in college, people who do not have financial resources to aid major ailments and activities to encourage women empowerment. The Company directly, with the help of NGOs, charitable trusts and other implementing agencies engages with such groups to identify their needs and address them to the extent possible.

The Company is making continuous efforts to meet the various health challenges faced by the vulnerable section, by manufacturing and marketing a wide portfolio of medicines for various diseases.

Principle 5 (Human Rights)

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   Our commitment to human and labour rights requires us to provide a safe and healthy workplace for our employees, which offers a non-discriminatory environment, to work actively against the use of child labour, act against any form of harassment and ensure that we meet the minimum standards on wages and working hours and provide opportunities to employees for individual development. We strive for providing a work environment that is free from any kind of bias and physical and mental harassment. The Company aims toward a zero-tolerance approach toward discrimination on any ground. The Company encourages its Wholly Owned Subsidiaries (WOS)/suppliers to adhere to this principle consistent with those of the Company. The WOS is incorporated outside India and complies with the requirements of the respective countries where they operate.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   During the year under review, the Company did not receive any complaints pertaining to human rights.

Principle 6 (Environment)

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers /Contractors/ NGOs/others?

   This policy covers only the Company. The Company expects its group companies and its stakeholders to adhere to the business principles consistent with those of the Company. The group companies are independent companies located outside India and are guided by the policies and laws of the countries where they are located.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Conservation of natural resources has always been the priority for the Company. Optimum utilization of resources has been the prime motto. The environment policy of the Company is available on the website at https://www.unichemlabs.com/business-responsibility-policies.php. All efforts are made to recycle water and waste and eliminate overutilization of resources. The Company implements safe and automated practices in manufacturing and other processes. Systems are regularly updated and conform to various applicable Laws and Regulations. This results in, continuous and dynamic improvements in the quality of working and services.

   As a go green initiative, the Company ensures to send all its corporate communications to the Shareholders through electronic means whose e-mail ids are registered with the Company, as its contribution to saving natural resources. Corporate Meetings to the extent possible are conducted paperless. Prints are taken wherever it is required. We encourage to maintain documents electronically.

3. Does the Company identify and assess potential environmental risks?

   The Company's manufacturing facilities are internationally accredited by regulatory agencies across the globe. The Company identifies and assesses the risks internally. Wherever required, assistance is sought from external agencies for formulating environment management plans. These plans are assessed at regular intervals by the management which also helps in getting various regulatory approvals.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   The Company does not presently have any project related to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc:

   The Company has undertaken energy-efficient initiatives at different locations which are provided in Annexure G of this Annual Report under the heading Conservation of Energy.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes, all our manufacturing plants have complied with the permissible limits of air emissions/waste generation for the financial year under review.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year?

   There is 1 (one) case that is pending in court and at the Pollution Control Board involving environment-related issues as of the end of the financial year. The Company has complied with the respective environmental Laws and Regulations and has timely represented this matter.

Principle 7 (Public Policy)

1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

   (a) IMC Chamber of Commerce and Industry

   (b) Bombay Chamber of Commerce and Industry

   (c) Indian Pharmaceutical Association

   (d) Indian Drugs Manufacturers' Association

   (e) National Safety Council

   (f) Confederation of Indian Industry

2. Have you advocated/lobbied through the above associations for the advancement or improvement of public good? Yes/No, if yes, specify the broad areas (dropbox: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others):

   The pharmaceutical industry is highly regulated. The Company engages in activities that work towards a common goal of improving health and making medicines reach to mass community across the globe at affordable prices. The Company has been actively participating in putting forth its views in areas concerning the pharmaceutical industry such as accessibility to medicines, regulatory reforms, making medical treatment easily accessible to the underprivileged, economic reforms and Corporate Social Responsibility activities.

Principle 8 (Corporate Social Responsibility (CSR))

1. Does the Company have specified programmes/initiatives/ projects in pursuit of the Policy related to Principle 8? If yes, details thereof:

   The Company believes in the philosophy of giving back. Being in the pharmaceutical industry, the Company's primary focus is healthcare. Also, the Company focuses on various CSR activities including education. The CSR efforts mainly will be in the surrounding areas where the Company operates.

   The CSR Policy is available on the website of the Company and the Annual Report on CSR activities, as required under Section 135 of the Companies Act, 2013, is given under Annexure C to the Directors' Report. The Company would also undertake other need-based initiatives as permitted under Schedule VII to the Companies Act, 2013.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

   The CSR programmes are undertaken by the Company directly or through recognized implementing agencies. The Company has generously contributed to many CSR activities related to health and education throughout the country.

3. Have you done any impact assessment of your initiative?

   The impact assessment as mandated under the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, does not apply to the Company. However, the CSR initiatives are regularly assessed by the Company through its internal monitoring and assessing mechanism. At regular intervals, feedback and progress of the CSR projects are obtained from the concerned organizations and agencies.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

   There was no mandatory requirement for the Company to spend on CSR activities under Section 135 of the Companies Act, 2013 for the financial year ended 31st March, 2022. However, the Company has made an excess spend of ₹ 63.22 lakhs for the financial year 2021-22. Further, the total amount of ₹ 63.22 lakhs includes an amount of ₹ 2.60 lakhs which has remained unutilized with an implementing agency as on 31st March, 2022.

   Please refer to Annexure C to the Directors' Report for CSR activities undertaken by the Company.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so:

   Review is undertaken for the CSR activities to ensure that the CSR initiatives are adopted by the communities. Details of these CSR activities being adopted by the communities are given in Annexure C of the Annual Report.

Principle 9 (Customer Relations)

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   The Company has established a Corporate Quality Assurance (CQA) system, which has developed standard operating procedures (SOPs) for responding to customer complaints on product quality. We ensure that we acknowledge, investigate thoroughly and respond to all such complaints as per these SOPs. The aim is to ensure that there is no repetition of such complaints.

   Transparency and compliance with all applicable Rules and Regulations have always been at the fore front of the CQA department. Receiving and responding to feedback from consumers and customers is a regular and ongoing process.

   As on 31st March, 2022, about 1.66% of customer complaints received during the year were pending. These have since been resolved.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)?

   The Company is committed to providing accurate and complete information about its products to its patients and health care professionals. Appropriate product information is displayed on the product labels. The Company adheres to all packaging, labelling standards, regulations and guidelines of its products as per local laws of the country wherever applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so:

   Apart from the below mentioned, there is no significant case filed or pending against the Company regarding unfair trade practices, irresponsible advertising or anti-competitive behaviour.

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

For and on behalf of the Board of Directors

Dr. Prakash A. Mody

Mumbai — Chairman & Managing Director

27th May, 2022 — (DIN: 00001285)

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

Qualified Opinion

1. We have audited the accompanying standalone financial statements of Unichem Laboratories Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

3. We draw attention to note 38 of standalone financial statements regarding the EU fine matter and the Company financial exposure of ₹ 12,267.33 lakhs in the subsidiary (Niche Generics Limited, UK) in respect of which no provision for impairment is made in view of uncertainty as regards the EU fine matter. The impact on the standalone financial statements of including the above provision would be that the Company would show loss for the year of ₹ 12,273.09 lakhs and balance in other equity of ₹ 253,528.64 lakhs as at balance sheet date as against the reported figures of loss for the year of ₹ 5.76 lakhs and other equity of ₹ 265,795.97 lakhs.

4. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

Key Audit Matters

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

   5.1. Impairment test of investment in subsidiary at Ireland

   Investment in subsidiary is carried in the Company's standalone financial statements at cost less impairment. The carrying value of investment made by the Company in its subsidiary (Unichem Laboratories Limited, Ireland) as per standalone financial statements is aggregating ₹ 2,104.84 lakhs as at 31st March, 2022. In case of this subsidiary, there are accumulated losses and low net-worth as at balance sheet date. Considering the overall exposure in this subsidiary, need for impairment test is a key audit matter. Based on the financial projections of the above subsidiary, the management is of the view that recoverable amount is higher than carrying value of these investments and there is no impairment of investment as at balance sheet date. For the purpose of our audit, we have considered the following aspect:

   a. Analytical review of gross margins earned by the subsidiary.
   b. Discussion with management for business outlook (including future financial projections of the above subsidiaries) and plans for overall turnaround of the subsidiary.
   c. Evaluated the performance in the current year as compared to last year and prior year achievement as compared to the budget.
   d. Discussion with the auditor of subsidiary for the basis on which they have concluded that there is no impairment of assets in the books of subsidiary

   Based on our evaluation of management estimates, other information & discussion with the management, we agree with the management views and estimates and conclude that no provision for impairment is required as at date of our audit report.

   Refer to note 6.1 of the standalone financial statements.

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

6. 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 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 will not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Standalone Financial Statements

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

   In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

9. 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.

10. As required by Section 143 (3) of the Act, we report that:

   a. Except in respect of matter specified in the Basis for Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

   e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse impact on the functioning of the Company;

   f. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

   g. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report given in "Annexure II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

   h. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

   i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

   j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer note 37(A)(i), 37(A)(ii), 37(B)(i), 37(B)(iii) and 37(B)(iv) 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; and

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

         (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

         (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement. Also, refer note 60 of the standalone financial statement.

      v. As stated in note 18 to the standalone financial statements:

         (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act.

         (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act.

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

Milan Mody
Partner
Membership No.: 103286
UDIN.: 22103286AJSRSQ4129

Place: Mumbai
Date: 27th May, 2022

Annexure I to Independent Auditor's Report for the year ended 31st March, 2022

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

(I) In respect of Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program for conducting physical verification to cover all the items of property, plant and equipment and right of use assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, assets were physically verified by the management in the previous year. According to the information and explanations given to us, no material discrepancies were noticed in the previous year on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties which are freehold are held in the name of the Company as at the balance sheet date. This has been verified by checking the original deeds and photocopy of the original deed in respect of one freehold land (since original document is deposited with bank) where confirmation is received from the bank as regards holding the original title deed. In respect of immovable properties of land that have been taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company as on 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; discrepancies noticed on verification between the physical stocks and the book records were not material i.e. less than 10% in aggregate for each class of inventory.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from banks on the basis of security, which includes current assets of the Company. The Company has also filed quarterly returns and statements with the bank which are broadly in agreement with the books of account. Refer note 24.1 to the standalone financial statements. Also, there are no borrowings from financial institution.

(iii) (a) During the year, the Company has provided guarantee to banks in regard to loan availed by the subsidiary and details of which are given below. Other than the aforesaid, there are no other guarantees, loans or advance in the nature of loan or security to any other companies, firms, limited liability partnership or any other parties.

Details of guarantee given to bank on behalf of subsidiary:

Particulars	Amount in Euro (in lakhs)	Amount in INR (in lakhs)
Aggregate amount of guarantee provided during the year	-	-
Closing balance of guarantee provided as on 31st March, 2022	30.00	2,539.82

(b) In our opinion, the investment made and guarantees provided, prima facie, are not prejudicial to the Company's interest. The Company has not granted any loans or advances in the nature of loan and given any security. Hence, reporting on clause (iii)(c), (d), (e) and (f) of the Order is not applicable.

(iv) The Company has complied with the provisions of Section 186 of the Act in respect of the investments made and guarantee provided by the Company. Further, there are no loans or securities given by the Company which are covered under section 186 of the Act. There are no transactions during the year which are covered under section 185 of the Act and therefore, question of commenting on compliance of section 185 of the Act does not arise.

(v) In our opinion and according to the explanations given to us, the Company has not accepted any deposits. 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 framed there under does not arise. We are informed that no order relating to the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act relating to the manufacture of drugs and pharmaceuticals and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no undisputed statutory dues payable in respect to above statutes, outstanding as at 31st March, 2022, for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed sales tax, goods and services tax, service tax, duty of customs, duty of excise and value added tax as on 31st March, 2022, which have not been deposited except the following disputed dues which have not been deposited since the matters are pending with the relevant forum.

(₹ in Lakhs)

Name of the Statutes	Nature of the dues	Disputed amount	Amount paid in protest	Unpaid amount	Period to which it relates	Forum where dispute is pending
The Income Tax Act, 1961	TDS and Interest	7.72	6.68	1.04	FY 2007-2021	In the process of filing rectification/ appeal
The Madhya Pradesh Value Added Tax Act, 2002	Entry Tax and Interest	10.94	2.73	8.21	FY 2015-16	Additional Commissioner of Commercial Tax, Indore
The Madhya Pradesh Value Added Tax Act, 2002	Non Submission of Forms including interest	18.46	4.61	13.85	FY 2016-2017	Additional Commissioner of Commercial Tax, Indore
The Madhya Pradesh Value Added Tax Act, 2002	Disallowance of Input tax Rebate	35.97	8.99	26.98	FY 2016-2017	Additional Commissioner of Commercial Tax, Indore
The Madhya Pradesh Value Added Tax Act, 2002	Disallowance of Input tax Rebate	33.28	8.33	24.95	FY 2017-2018	Additional Commissioner of Commercial Tax, Indore
The Central Excise Act, 1944	Duty and Penalty	81.44	3.85	77.59	April 2003 to November 2013	Appellate Tribunal (CESTAT) - Mumbai
The Finance Act, 1994 (Service Tax)	Disallowance of Service Tax Credit & Penalty	816.82	28.91	787.91	FY 2008-09 to August 2015	Appellate Tribunal (CESTAT) – Mumbai
The Finance Act, 1994 (Service Tax)	Disallowance of Service Tax Credit	219.00	16.81	202.19	September 2015 to June 2017	In the process of filing appeal to Commissioner of Central Tax (Appeals)
The Finance Act, 1994 (Service Tax)	Disallowance of Service Tax Credit & Penalty	139.88	5.24	134.64	January 2012 to March 2012	Appellate Tribunal (CESTAT) - Kolkata
The Central Excise Act, 1944	Disallowance of CENVAT Credit	41.42	3.10	38.32	FY 2011-12 to 2012-13	Commissionerate (Appeal) - Siliguri
The Central Excise Act, 1944	Excise Duty Liability	87.95	-	87.95	FY 2013-14 to FY 2016-17	Joint Commissioner, CGST & Central Excise, Ujjain

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

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to banks during the year. Moreover, there are no borrowings from financial institution or any other lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

(c) In our opinion and according to the information and explanations given to us, the term loans obtained during the year were applied for the purpose for which the loans were obtained. There was no outstanding term loan at the beginning of the year.

(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.

(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. Thus, further reporting under clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries and its associate. The Company does not have any joint ventures. Hence, further reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Accordingly, clause (x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Accordingly, clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year. Accordingly, clause (xi) of the Order is not applicable to the Company.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, clause (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in note 47 of the standalone financial statements as required by the applicable Accounting Standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till 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.

(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.

(xvii) During the current year, there is no cash loss in the Company without considering the effects of qualification as mentioned in Basis for Qualified Opinion paragraph above. However, considering the effects of qualification, the Company has incurred cash losses during the financial year amounting to ₹ 2,216.25 lakhs. Further, the Company had not incurred cash losses 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 statement are unaudited for the year ended 31st March, 2022 and consolidation is solely based on information provided to us by the management. Further, there were no qualification / adverse remark given by the auditor of associate for the year ended 31st March, 2021.

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

Milan Mody
Partner
Membership No.: 103286
UDIN.: 22103286AJSRSQ4129

Place: Mumbai
Date: 27th May, 2022

Annexure II to Independent Auditor's Report for the year ended 31st March, 2022

(Referred to in point 10(g) under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date)

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

Opinion

We have audited the internal financial controls over financial reporting of Unichem Laboratories Limited ("the Company"), as of 31st March, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Milan Mody
Partner
Membership No.: 103286
UDIN.: 22103286AJSRSQ4129

Place: Mumbai
Date: 27th May, 2022

FINANCIAL STATEMENTS

Standalone Balance Sheet as at 31st March, 2022

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	91,089.73	81,637.22
(b) Right of use assets	4	5,221.93	2,985.65
(c) Capital work-in-progress	3	49,417.99	56,773.16
(d) Investment property	5	-	353.28
(e) Other Intangible assets	3	-	-
(f) Financial assets			
(i) Investments	6	12,621.69	28,399.04
(ii) Loans	7	11.60	7.28
(iii) Other financial assets	8	813.06	1,026.33
(g) Other non-current assets	9	15,636.32	10,187.11
		1,74,812.32	**1,81,369.07**
Current assets			
(a) Inventories	10	46,069.37	38,611.65
(b) Financial assets			
(i) Investments	11	26,358.02	23,642.92
(ii) Trade receivables	12	38,084.29	36,048.49
(iii) Cash and bank balances	13		
Cash & cash equivalents		9,412.69	5,259.86
Other bank balances		490.59	498.78
(iv) Loans	14	5.23	4.47
(v) Other financial assets	15	55.07	919.82
(c) Other current assets	16	16,573.85	25,550.67
		1,37,049.11	**1,30,536.66**
Non-current assets held for sale	**5.ii**	**346.96**	**-**
TOTAL ASSETS		**3,12,208.39**	**3,11,905.73**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	1,408.12	1,408.12
(b) Other equity	18	2,65,795.97	2,68,325.35
		2,67,204.09	**2,69,733.47**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	8,901.06	-
(ii) Lease liabilities	20	596.21	146.16
(b) Provisions	21	3,996.17	3,041.36
(c) Deferred tax liabilities (net)	22	-	1,370.22
(d) Other non-current liabilities	23	469.21	469.21
		13,962.65	**5,026.95**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	3,709.17	-
(ii) Lease liabilities	20	2.00	1.84
(iii) Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises		884.98	631.27
Total outstanding dues of creditors other than micro enterprises and small enterprises		14,822.96	18,225.56
(iv) Other financial liabilities	26	5,245.18	11,567.20
(b) Other current liabilities	27	4,768.08	5,236.84
(c) Provisions	28	1,609.28	1,482.60
		31,041.65	**37,145.31**
TOTAL EQUITY AND LIABILITIES		**3,12,208.39**	**3,11,905.73**
Significant accounting policies & notes	**1 - 64**		

Notes to Accounts form an integral part of standalone financial statements

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody
Partner
Membership No.: 103286

Sandip Ghume
Deputy Chief
Financial Officer

Pradeep Bhandari
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

Place: Mumbai
Date: 27th May, 2022

Standalone Statement of Profit and Loss for the year ended 31st March, 2022

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	Revenue from operations	29	94,292.66	1,12,397.28
II	Other income	30	4,206.79	4,737.11
III	**Total Income (I+II)**		**98,499.45**	**1,17,134.39**
IV	**EXPENSES**			
	Cost of materials consumed	31	43,492.03	44,913.87
	Purchases of Stock-in-Trade		134.90	53.52
	Changes in inventories of finished goods and work-in-progress	31	(5,279.05)	(1,672.68)
	Employee benefits expense	32	25,079.27	23,403.73
	Finance costs	33	207.42	130.06
	Impairment loss on financial assets	34	806.07	-
	Depreciation and amortization expense	3,4	8,318.76	7,589.18
	Other expenses	35	34,414.82	36,152.16
	Total expenses (IV)		**1,07,174.22**	**1,10,569.84**
V	**Profit / (Loss) before tax (III- IV)**		**(8,674.77)**	**6,564.55**
VI	Tax expense:			
	(1) Current tax	22	-	-
	(2) Deferred tax charge / (credit)	22	(3,155.51)	1,094.30
	(3) Short / (Excess) provision for tax (earlier years)	22	23.70	62.02
			(3,131.81)	**1,156.32**
VII	**Profit / (Loss) for the year (V-VI)**		**(5,542.96)**	**5,408.23**
VIII	Other Comprehensive Income	36		
	A (i) Items that will not be reclassified subsequently to profit or loss			
	- Remeasurement of the net defined benefit plan		(323.91)	(97.68)
	- Equity instruments through other comprehensive income		7,646.40	2,504.10
	(ii) Income tax (expense) / credit relating to items that will not be reclassified to profit or loss			
	- Remeasurement of the net defined benefit plan		(24.58)	24.58
	- Equity instruments through other comprehensive income (net)		(1,760.71)	(300.51)
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total of Other Comprehensive Income		**5,537.20**	**2,130.49**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**(5.76)**	**7,538.72**
X	**Earnings per equity share (face value of ₹ 2 each)**	**49**		
	(1) Basic		(7.87)	7.68
	(2) Diluted		(7.87)	7.68
	Significant accounting policies & notes	**1 - 64**		

Notes to Accounts form an integral part of standalone financial statements

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody
Partner
Membership No.: 103286

Sandip Ghume
Deputy Chief
Financial Officer

Pradeep Bhandari
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

Place: Mumbai
Date: 27th May, 2022

Standalone Statement of Changes in Equity for the year ended 31st March, 2022

CIN: L99999MH1962PLC012451

A. Equity Share Capital

Particulars	2021-2022		2020-2021	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Shares outstanding as at the beginning of the year	**7,04,05,750**	**1,408.12**	**7,04,05,750**	**1,408.12**
Add: Shares allotted under ESOP during the year	-	-	-	-
Shares outstanding as at the end of the year	**7,04,05,750**	**1,408.12**	**7,04,05,750**	**1,408.12**

B. Other Equity

(₹ in Lakhs)

Particulars	Employee stock options outstanding account	Reserves and Surplus			Other Comprehensive Income (OCI)		Total
		Securities Premium	Capital Redemption Reserve	Retained Earnings	Remeasurements of defined benefit plans	Equity instrument through OCI	
Balance at 31st March, 2020	**482.60**	**133.02**	**412.00**	**2,62,303.67**	**(465.13)**	**444.10**	**2,63,310.26**
Profit / (loss) for the year	-	-	-	5,408.23	-	-	5,408.23
Other comprehensive income for the year	-	-	-	-	(73.10)	2,203.59	2,130.49
Payment of dividends	-	-	-	(2,816.23)	-	-	(2,816.23)
Recognition of share-based payments (ESOP) (net)	292.60	-	-	-	-	-	292.60
Balance at 31st March, 2021	**775.20**	**133.02**	**412.00**	**2,64,895.67**	**(538.23)**	**2,647.69**	**2,68,325.35**
Profit / (loss) for the year	-	-	-	(5,542.96)	-	-	(5,542.96)
Other comprehensive income for the year	-	-	-	-	(348.49)	5,885.69	5,537.20
Payment of dividend	-	-	-	(2,816.23)	-	-	(2,816.23)
Recognition of share-based payments (ESOP) (net)	292.61	-	-	-	-	-	292.61
Balance at 31st March, 2022	**1,067.81**	**133.02**	**412.00**	**2,56,536.48**	**(886.72)**	**8,533.38**	**2,65,795.97**

Significant accounting policies & notes **1 - 64**

Notes to Accounts form an integral part of standalone financial statements

Employee stock options outstanding account

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

Securities Premium

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

Capital Redemption Reserve

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

Other Comprehensive Income

a) 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.

b) 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.

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 27th May, 2022

Sandip Ghume
Deputy Chief
Financial Officer

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

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

Standalone Statements of Cash Flows for the year ended 31st March, 2022

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
A. Cash Flow from Operating Activities				
Net Profit / (loss) before tax		**(8,674.77)**		**6,564.55**
Adjustments:				
Depreciation / amortisation (including investment property)	8,325.07		7,595.48	
Loss / (profit) on sale / discard of property, plant and equipment (net)	25.34		(2.57)	
Unrealised exchange difference (net)	(163.49)		606.40	
Rent income	(30.84)		(46.22)	
Guarantee commission income	(28.86)		(26.60)	
Finance cost	207.42		130.06	
Provision for doubtful debts, loans, advances & deposits (net)	(115.33)		(18.64)	
Share-based payments to employees	224.56		224.56	
Fair value gain on investments (net)	(312.19)		(1,164.20)	
Interest income	(627.28)		(2,287.95)	
Sundry credit balances written back	(89.01)		(41.56)	
Impairment loss on financial assets				
- investments in equity instruments of associates	569.31		-	
- inter corporate deposits & interest thereon	236.76		-	
Dividend income	(1,001.35)		(0.36)	
		7,220.11		4,968.40
		(1,454.66)		11,532.95
Working Capital Adjustments:				
Trade receivables & other assets	(5,290.27)		(7,328.96)	
Inventories	(7,457.72)		(7,054.85)	
Trade payable & other liabilities	(2,034.18)		(379.28)	
		(14,782.17)		(14,763.09)
Cash generated from / (used in) operations		(16,236.83)		(3,230.14)
Direct taxes refund received / (payment made)		405.85		(31.07)
Net Cash Flow from / (used in) Operating Activities A		**(15,830.98)**		**(3,261.21)**
B. Cash Flow from Investing Activities				
Purchase of property, plant & equipment including Capital WIP		(12,655.90)		(28,586.29)
Proceeds from sale of property, plant and equipment		16.41		42.22
Investments made				
- in subsidiaries (at cost)		(222.90)		(872.07)
Guarantee commission income realised		590.45		-
Sale / (purchase) of current investment (net)		20,180.90		18,661.31
Rent received		30.84		46.22
(Increase) / decrease in escrow bank accounts		8.19		(269.57)
Interest received		1,453.99		2,939.14
Dividend received		1,001.35		0.36
Net Cash Flow from / (used in) Investing Activities B		**10,403.33**		**(8,038.68)**
C. Cash Flow from Financing Activities				
Increase / (decrease) in working capital borrowings (net)		1,121.18		(1,509.78)
Receipt of term loan from bank		12,418.96		-
Repayments of long-term borrowings		(951.58)		-
Payments of lease liabilities		(15.16)		(15.20)
Finance cost paid		(156.77)		(116.58)
Dividend paid		(2,836.15)		(2,865.79)
Net Cash Flow from / (used) in Financing Activities C		**9,580.48**		**(4,507.35)**
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)		**4,152.83**		**(15,807.24)**
Add: Current Investments reclassified as cash and cash equivalents during the year		-		759.24
Net (Decrease) / Increase in Cash and Cash Equivalents		**4,152.83**		**(15,048.00)**
Cash and Cash Equivalents at the beginning of the year		**5,259.86**		**20,307.86**
Cash and Cash Equivalents at the end of the year		**9,412.69**		**5,259.86**
Significant accounting policies & notes 1 - 64				

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

(₹ in Lakhs)

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

Particulars	1st April, 2020	Cash inflows / (outflows)	Non cash changes	31st March, 2021
Short-term borrowings (packing credit) - non cash changes arising out of exchange rate fluctuations	1,521.41	(1,509.78)	(11.63)	-
Lease liabilities - non cash changes arising out of unwinding of liabilities	149.72	(7.58)	13.48	148.00

Notes to Accounts form an integral part of standalone financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors

Milan Mody
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Managing Director
DIN.: 00001285

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

Place: Mumbai
Date: 27th May, 2022

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

1. Company Overview

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

The Company is engaged in manufacturing of pharmaceutical products.

The financial statements of the Company for the year ended 31st March, 2022 were approved and adopted by the Board of Directors of the Company in their meeting dated 27th May, 2022.

2. Significant accounting policies

2.1. Statement of compliance

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

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

2.2. Basis of preparation and presentation

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

i. Certain financial assets and liabilities (including derivative instruments);

ii. Defined benefit plans – plan assets;

iii. Equity Settled Share based payments;

iv. Assets held for sale

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

2.3. Current and non-current classification

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

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

2.4. Functional currency and presentation of currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee, which is the Company's functional and presentation currency. All amounts are rounded off to the nearest rupees in lakhs.

2.5. Use of significant accounting estimates, judgements and assumptions

The preparation of the financial statements requires the management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported balances of assets and liabilities, disclosure of contingent assets and liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below:

i) Estimation of useful life of property, plant and equipment (refer note no. 2.8 and 3)

ii) Impairment of property, plant and equipment and Capital work-in-progress (refer note no. 2.12 and 3)

iii) Estimation of provisions and contingent liabilities (refer note no. 2.17, 28, 37 and 38)

iv) Estimation of defined benefit plan and other long-term benefits (refer note no. 2.18, 21, 28 and 46)

v) Fair value measurement and impairment of financial instruments (refer note no. 2.28 and 55)

vi) Recognition of "Right of use" of assets as per the requirement of Ind AS 116 (refer note no. 2.15, 4, 20, 48)

2.6. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised on satisfaction of performance obligation as per contract and upon transfer of control of products to customers.

Revenue is measured at the transaction price that is allocated to that performance obligation. Amounts disclosed as revenue are net of indirect taxes, discounts, rebates, expiry claims and sales returns.

Income from services including commission income, product development revenue and licence fees income is recognised when the services are rendered or when contracted milestones have been achieved and is recorded net of indirect taxes.

Export benefits are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest income on financial assets is recognised using the effective interest rate.

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

Rental income on investment property given under operating lease arrangement is recognised on straight-line basis over the lease term in accordance with terms of agreement. Rental income is recorded net of indirect tax and expenses which are directly attributable to investment property.

Revenue includes commission recognised on guarantee given to banks and corporate guarantee given to or on behalf of subsidiaries.

2.7. Taxes

Income tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years that may become necessary due to certain developments or reviews during the relevant period. In respect of amounts adjusted outside the statement of profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted in other comprehensive income or in equity and not in the statement of profit and loss.

Current tax

Provision for current tax is made as per the provisions of Income Tax Act, 1961. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

2.8. Property, plant and equipment (Tangible Assets) and depreciation

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all property, plant and equipment are measured using cost model.

Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset.

Cost for subsequent additions comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditures are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company identifies and determines cost of each component / part of the plant and equipment separately, if the component / part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Pre-operation expenses and trial runs (net of revenue) and borrowing cost directly attributable to the cost of construction of the qualifying asset are treated as part of the project cost and are capitalized / allocated to the cost of asset in the year in which the project is completed. Administrative and other expenses which are not directly related to construction are charged to statement of profit and loss.

Gains or losses arising from de-recognition of tangible property, plant and equipment are recognised in the statement of profit and loss.

Depreciation is provided on all assets (other than free hold land and capital work-in-progress), on pro-rata basis, using following methods based on the respective estimate of useful lives as given below:

a) Straight-Line Method on buildings, plant and machinery, computers and servers

b) Written Down Value Method for others

The management believes that useful lives currently used is as prescribed under Part C of Schedule II to the Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Estimated useful lives of property, plant and equipment are as follows:

Nature of assets	Useful life
Factory buildings on leasehold land	Lower of 30 years or balance lease period
Buildings on freehold land	30 to 60 years
Roads	3 to 10 years
Plant and equipments [other than below]	10 to 15 years
Plant and equipments [continuous processing assets and other special equipments related to Pharma industry]	20 to 25 years
Furniture and fixture	10 years
Vehicles	8 years
Office equipments	3 to 5 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under ''Other non-current assets''. Cost of assets under construction / acquisition / not put to use at the Balance sheet date are disclosed under ''Capital work-in-progress''.

2.9. Intangible assets and amortisation

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Intangible assets comprise computer softwares / licenses [other than standalone softwares / licenses] which are fully amortised during the year of capitalisation. The estimated useful life of intangible assets is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

Other standalone softwares / licenses cost are fully charged off to statement of profit and loss in the year of expenditure. These softwares / licenses are for administrative purposes.

2.10. Investment property

Property that is held for long-term rentals yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any. Depreciation on building held as Investment Property is provided over its useful life (of 60 years) using the straight line method.

2.11. Non-Current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Non-current assets and liabilities classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the statement of profit and loss.

2.12. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an asset or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

2.13. Research and development expenditure

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are also charged to the statement of profit and loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment and depreciation.

2.14. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognised as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transaction. Foreign currency non-monetary items which are measured at fair value are reported using the exchange rate at the date when the fair value is determined. Exchange difference arising on fair valuation of non-monetary items is recognised in line with the gain or loss of item that give rise to such exchange difference (i.e. translation differences on items whose gain or loss is recognised in statement of profit and loss or other comprehensive income is also recognised in statement of profit and loss or other comprehensive income respectively).

2.15. Leases

The Company has applied Ind AS 116 - "Leases" from 1st April, 2019 using the modified retrospective approach.

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 standalone prices.

The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right of use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right of use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right of use asset unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right of use asset reflects that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

2.16. Inventories

Inventories consists of raw materials, packing materials, stores and spares, stock-in-trade, work-in-progress and finished goods. Inventories of raw materials, packing material, stores and spares are valued at cost and other inventories are valued at lower of cost and net realisable value after providing for obsolete / slow moving items. Cost is determined on weighted average basis.

Cost includes cost of purchase, non-refundable taxes and other costs / overheads incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

2.17. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

2.18. Employee benefits

i) Short-term employee benefit

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short-term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.

ii) Post-employment benefits

a. Defined contribution plan

The Company contributes fixed contribution to a government administered fund towards Provident Fund, Labour Welfare Fund, and Employee State Insurance Scheme and will have no legal or constructive obligation to pay further contribution.

Certain employees of the Company are participants in Superannuation plan. The Company has no further obligations to the Superannuation plan beyond its monthly contributions which are periodically contributed to "Unichem Laboratories Limited Employees Superannuation Fund Trust", the corpus of which is invested with the Life Insurance Corporation of India.

The Company's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. The Company fully contributes all ascertained liabilities to "Unichem Laboratories Limited Employees Gratuity Fund Trust", the corpus of which is invested with the Life Insurance Corporation of India.

The current service cost and interest on the net defined benefit liability / (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income and are not reclassified to statement of profit and loss in subsequent periods. Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

iii) Other long-term benefits

The Company has other long-term benefits in the form of leave benefits and long-term bonus. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method carried out by independent actuary. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit and loss as income or expense. Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

2.19. Equity settled share-based payments

Equity-settled share based payments to employees are measured at the fair value (i.e. excess of fair value over the exercise price of the option) of the Employee Stock Options Plan at the grant date. The fair value of option at the grant date is calculated by Black-Scholes model. In case the options are granted to employees of the Company, the fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of options that will eventually vest, with a corresponding increase in equity. In case of the options granted to employees of Company's subsidiaries, the fair value of options granted to employees of the subsidiary companies are considered as capital contribution / investment.

The dilutive effect of outstanding options is reflected in determining the diluted earnings per share.

2.20. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Operating Segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

2.21. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

2.22. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with its conditions.

Government grants relating to income are recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate. In case of Exports Promotion Capital Goods (EPCG) scheme, government grants is recognised in the statement of profit and loss over the period of fulfilment of export obligation.

Government grants relating to the assets are credited in the statement of profit and loss over the expected useful life of the assets.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the fair value of the loan and the proceeds received.

2.23. Dividend distribution

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

2.24. Share Capital

Ordinary shares are classified as equity. Transaction cost related to buy-back of equity shares is reduced from the retained earnings / reserves, net of tax effect.

2.25. Earnings per equity share

The basic earnings per equity share is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share are computed by dividing the net profit / (loss) attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, etc.

2.26. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

2.27. Cash flow statement

Cash flows are reported using Indirect Method, whereby profit / (loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.28. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Financial assets:

Cash and bank balances

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short-term highly liquid investments / mutual funds (with zero exit load at the time of investment) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Other bank balances includes balances and deposits with bank that are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In respect of equity investments (other than joint ventures) which are not held for trading, the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Investment in Subsidiaries and Associates

The Company has accounted for its investments in Subsidiaries and Associates at cost less accumulated impairment losses, if any in its separate financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

Impairment of financial assets [other than investment in subsidiaries and associates]

The Company recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire.

2.29. New Ind AS & amendments to existing Ind AS issued but not effective as at 31st March, 2022

Ministry of Corporate Affairs has notified new standards or amendments to the existing standards which would be effective from 1st April, 2022.

Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10%’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

3 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Particulars	Property, Plant & Equipment								Capital work-in -progress	Other Intangible Assets	
	Freehold land	Leasehold land	Buildings *	Plant & equipment	Furniture & fixture	Vehicles	Office equipment	Total		Software licenses	Total other intangible assets
Gross carrying value, at cost											
As at 31st March, 2020	567.78	-	31,221.66	66,592.84	1,181.02	263.29	817.03	1,00,643.62	33,083.54	124.54	124.54
Additions	-	-	1,460.27	7,555.33	28.78	311.44	163.50	9,519.32	33,147.14	291.32	291.32
Disposal	-	-	48.00	292.91	99.29	98.57	2.53	541.30	-	-	-
Capitalisation	-	-	-	-	-	-	-	-	9,457.52	-	-
Reclassified on account of adoption of Ind AS 116 (refer note 4)	189.77	-	-	-	-	-	-	189.77	-	-	-
As at 31st March, 2021	**378.01**	**-**	**32,633.93**	**73,855.26**	**1,110.51**	**476.16**	**978.00**	**1,09,431.87**	**56,773.16**	**415.86**	**415.86**
Additions	-	-	4,562.60	12,793.72	179.60	7.47	147.70	17,691.09	12,494.65	12.42	12.42
Disposal	-	-	0.42	377.08	11.30	-	23.26	412.06	-	-	-
Capitalisation	-	-	-	-	-	-	-	-	19,849.82	-	-
As at 31st March, 2022	**378.01**	**-**	**37,196.11**	**86,271.90**	**1,278.81**	**483.63**	**1,102.44**	**1,26,710.90**	**49,417.99**	**428.28**	**428.28**
Accumulated depreciation / amortisation											
As at 31st March, 2020	-	-	4,189.50	15,906.46	371.23	95.15	466.15	21,028.49	-	124.54	124.54
Charge for the year	-	-	1,276.72	5,496.96	202.07	87.42	176.36	7,239.53	-	291.32	291.32
Disposal	-	-	42.46	263.15	84.40	81.02	2.34	473.37	-	-	-
As at 31st March, 2021	**-**	**-**	**5,423.76**	**21,140.27**	**488.90**	**101.55**	**640.17**	**27,794.65**	**-**	**415.86**	**415.86**
Charge for the year	-	-	1,363.02	6,369.23	177.64	118.58	168.36	8,196.83	-	12.42	12.42
Disposal	-	-	-	337.37	10.81	-	22.13	370.31	-	-	-
As at 31st March, 2022	**-**	**-**	**6,786.78**	**27,172.13**	**655.73**	**220.13**	**786.40**	**35,621.17**	**-**	**428.28**	**428.28**
Net book value											
As at 31st March, 2022	**378.01**	**-**	**30,409.33**	**59,099.77**	**623.08**	**263.50**	**316.04**	**91,089.73**	**49,417.99**	**-**	**-**
As at 31st March, 2021	378.01	-	27,210.17	52,714.99	621.61	374.61	337.83	81,637.22	56,773.16	-	-

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

Notes :

1. Building includes cost of shares in co-operative societies ₹ 0.56 lakhs (P.Y. ₹ 0.56 lakhs).
2. Capital work-in-progress includes ₹ 10,683.47 lakhs (P.Y. ₹ 17,617.87 lakhs) on account of cost of construction.
3. The amount of capital commitment disclosed in note 39(a).
4. Certain property, plant and equipment are hypothecated / mortgaged as security for borrowing as disclosed under note 40.
5. Addition to property, plant and equipment and CWIP includes ₹ 621.61 lakhs (P.Y. ₹ 238.02 lakhs) being expenditure on Research and Development as under:

(₹ in Lakhs)

Assets Description	2021-2022	2020-2021
Plant & Machinery	120.22	126.05
Furniture & Fixtures	-	5.09
Office Equipment	3.52	43.49
Capital work-in-progress	497.87	63.39
Total	**621.61**	**238.02**

6. Ageing of Capital work-in-progress:
   CWIP ageing schedule as at 31st March, 2022

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11,232.70	23,701.63	13,827.27	656.39	**49,417.99**
Projects temporarily suspended	-	-	-	-	**-**

Closing CWIP mainly includes new manufacturing facility at Goa which is expected to capitalize in next year. Due to Covid 19 pandemic, the completion timelines of the projects were extended.

CWIP ageing schedule as at 31st March, 2021

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	33,015.66	20,872.39	2,862.38	22.73	**56,773.16**
Projects temporarily suspended	-	-	-	-	**-**

7. Depreciation charged to P&L account:

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Property, Plant and Equipments	8,209.25	7,239.53
Right of use assets	109.51	349.64
Total	**8,318.76**	**7,589.18**

8. Borrowing cost :
   (a) In accordance with Ind AS 23, the borrowing cost of ₹ 294.88 Lakhs (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 6.75% (P.Y.: Nil %).

4 RIGHT OF USE ASSETS

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

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Opening Balance	**2,985.65**	**2,878.65**
Reclassified as per Ind AS 116 (refer note 3)	-	189.77
Additions	2,390.25	20.01
Deletions	-	-
Depreciation	(109.51)	(58.32)
Depreciation charged to CWIP	(44.46)	(44.46)
Closing Balance	**5,221.93**	**2,985.65**

The Company holds leasehold land against which there is annual payment over the lease period which is in range of 24-75 years and is non-cancellable. The terms and conditions includes extension of the lease period subject to fulfilment of the conditions as per lease agreements (refer note 48).

5 INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Gross carrying amount		
Opening gross carrying amount	398.81	398.81
Additions	-	-
Less: Transfer to assets held for sale (refer note 5ii)	(398.81)	-
Closing gross carrying amount	-	398.81
Accumulated depreciation		
Opening accumulated depreciation	45.53	39.22
Depreciation charge (netted off from rent income)	6.31	6.31
Less: Transfer to assets held for sale (refer note 5ii)	(51.84)	-
Closing accumulated depreciation	**-**	**45.53**
Net carrying amount	**-**	**353.28**

i) Amounts recognised in statement of profit and loss for investment property:

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Rental Income	30.74	46.12
Less: Depreciation	6.31	6.31
Net income from investment property	**24.43**	**39.81**

ii) Operating lease period was discontinued during the year. The Investment Property was subsequently classified as held for sale and valued at the lower of its carrying amount and fair value less cost to sell. These assets are expected to be disposed off in the next 12 months. The fair value of the property is not readily available however based on the management and market assessment, the fair value would be higher than the carrying value of the assets.

6 INVESTMENTS (NON-CURRENT)

Particulars	No. of Shares		Face value	₹ in lakhs	
	As at 31st March, 2022	As at 31st March, 2021		As at 31st March, 2022	As at 31st March, 2021
(I) At Cost :					
UNQUOTED					
Equity Instruments of subsidiaries (fully paid)					
Unichem Farmaceutica Do Brasil Ltda	3,01,33,683	3,01,33,683	1 Brasil Real	7,086.72	7,086.72
Less: Impairment in value of investments (refer note 42)				(7,086.72)	(7,086.72)
Sub Total				**-**	**-**
Niche Generics Limited,UK * (refer note 6.1)	56,25,000	56,25,000	1 Pound	6,909.36	7,014.37
Unichem SA Pty Limited	19,000	19,000	10 SA Rand	12.14	12.14
Unichem Pharmaceuticals USA Inc.*	64,76,955	64,76,955	1 US$	3,200.25	3,548.36
Unichem Laboratories Limited, Ireland * (refer note 6.1)	27,60,000	27,60,000	1 Euro	2,104.84	2,145.27
Unichem (China) Pvt. Ltd.	-	-	-	366.63	143.73
Sub Total				**12,593.22**	**12,863.87**
Equity Instruments of Associates (fully paid)					
Synchron Research Services Private Limited	2,08,333	2,08,333	₹ 10	569.31	569.31
Less: Impairment in value of investments (refer note 6.2)				(569.31)	-
Sub Total				**-**	**569.31**
Total of Investments measured at cost				**12,593.22**	**13,433.18**
(II) At fair value through profit and loss (FVTPL)					
UNQUOTED					
Equity Instruments (fully paid)					
Mediklin Healthcare Limited	-	2,02,500	₹ 10	-	-
Shivalik Solid Waste Management Limited	20,000	20,000	₹ 10	2.00	2.00
Sub Total				**2.00**	**2.00**
QUOTED					
Equity Instruments (fully paid)					
Jindal Polyfilm Limited	2,000	2,000	₹ 10	22.23	14.81
Jindal Poly Investment and Finance Company Ltd.	500	500	₹ 10	1.44	0.07
Aurobindo Pharma Ltd.	8	8	₹ 1	0.05	0.15
Universus Photo Imagings Ltd.	500	-	₹ 10	2.75	-
Kothari Industrial Corporation Ltd.	20	20	₹ 5	-	-
Sub Total				**26.47**	**15.03**
Total of Investments measured at FVTPL				**28.47**	**17.03**
(III) At fair value through Other Comprehensive Income (FVTOCI)					
UNQUOTED					
Equity Instruments (fully paid)					
Optimus Drugs Private Limited (refer note 11.1 & 11.2)	-	17,04,034	₹ 10	-	7,957.84
Optrix Laboratories Private Limited (refer note 11.1 & 11.2)	-	21,98,423	₹ 10	-	6,990.99
Total of Investments measured at FVTOCI				**-**	**14,948.83**
Total				**12,621.69**	**28,399.04**
Aggregate book value of unquoted investments				12,595.22	28,384.01
Aggregate amount of impairment in value of investments				(7,656.03)	(7,086.72)
Aggregate book value of quoted investments				26.47	15.03
Aggregate market value of quoted investments				26.47	15.03

* Decrease in investments represents guarantee commission receivable regrouped to trade receivables or realised during the year.

6.1 In case of these subsidiaries, there are accumulated losses and low net-worth as at balance sheet date. Based on the financial projections of the above subsidiaries, the management is of the view that performance of these subsidiaries is improving and will turnaround. Accordingly, the management considers that the recoverable amount is higher than carrying value of these investments and there is no impairment of assets as at balance sheet date.

6.2 Impairment loss on financial assets for the year ended 31st March, 2022 includes ₹ 569.31 lakhs of provision towards impairment of equity investment in 'Synchron Research Services Private Limited' (associate company).

7 LOANS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Loans to Employees	11.60	7.28
Total	**11.60**	**7.28**

8 OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Inter Corporate Deposits	300.00	500.00
(Net of provision for Impairment loss of ₹ 700 Lakhs, P.Y. ₹ 500 Lakhs)		
Deposits		
Considered Good	513.06	526.33
Considered Doubtful	53.53	78.52
Less :Allowance for Doubtful deposits	(53.53)	(78.52)
	513.06	526.33
Total	**813.06**	**1,026.33**

9 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital advances	2,042.23	9,082.56
(Net of provision for Doubtful advances, ₹ 11.86 Lakhs, P.Y. ₹ 11.86 Lakhs)		
Balance with government authorities (including refund receivable)	12,971.55	52.46
Advance income tax (net of provision)	622.54	1,052.09
Total	**15,636.32**	**10,187.11**

10 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials	23,704.80	21,720.88
[Include ₹ 727.47 lakhs in transit, (P.Y. ₹ 944.15 lakhs)]		
Packing Materials		
[Include ₹ 1.65 lakhs in transit, (P.Y. ₹ NIL)]	2,211.49	2,371.96
Work-in-Progress	10,214.94	7,746.22
Finished Goods	8,685.66	5,875.33
[Include ₹ 84.82 lakhs in transit, (P.Y. ₹ 519.80 lakhs)]		
Stores and Spares	1,252.48	897.26
Total	**46,069.37**	**38,611.65**

Note:

1) During the year ended 31st March, 2022, ₹ 150.41 lakhs (P.Y. ₹ 947.13 lakhs) was recognised as an expenses for inventories carried at net realisable value.
2) Refer note 2.16 for accounting policy for inventory valuation.

11 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	No. of Units		Amount	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
At fair value through profit and loss (FVTPL)				
QUOTED				
INVESTMENT IN MUTUAL FUNDS				
SBI Liquid Fund Direct Growth	1,12,892	1,12,892	3,762.79	3,636.95
			3,762.79	3,636.95
INVESTMENT IN PERPETUAL BOND				
HDFC Bank Limited Sr-1 8.85 BD	-	329	-	3,362.52
Axis Bank Limited Sr-26 8.75 NCD	-	650	-	6,558.05
State Bank of India Sr-III 8.39 BD	-	1,000	-	10,085.40
			-	20,005.97
At fair value through Other Comprehensive Income (FVTOCI)				
UNQUOTED				
Equity Instruments (fully paid)				
Optimus Drugs Private Limited (refer note 11.1 & 11.2)	39,02,457	-	22,595.23	-
Total of Investments measured at FVTOCI			**22,595.23**	**-**
Total			**26,358.02**	**23,642.92**
Aggregate book value of quoted investments			26,358.02	23,642.92
Aggregate market value of quoted investments			26,358.02	23,642.92

Investments in mutual funds are pledged with Citibank N.A. Refer note 40.

11.1 Optrix Laboratories Private Limited has merged with Optimus Drugs Private Limited on receiving approval for the Scheme of Amalgamation by Hon'ble National Company Law Tribunal (NCLT) on 22nd September, 2021. Hence, number of equity shares held by the Company in 'Optrix Laboratories Private Limited' have been merged with equity holding in 'Optimus Drugs Private Limited'.

11.2 Subsequent to the financial year ended 31st March, 2022, the Company has entered into binding Share Purchase Agreement ('SPA') dated 10th May, 2022 with Sekhmet Pharmaventures Private Limited ('Purchaser') and Optimus Drugs Private Limited ('Optimus') to sell its entire shareholding in Optimus to the Purchaser ('Transaction'). As per the SPA, the Company will sell 19.97% equity shares on a fully diluted basis in the first tranche and remaining 0.02% equity shares in the second tranche. For the first tranche, total consideration is ₹ 27,098.99 lakhs and for the second tranche for a price to be determined as per the said SPA after satisfaction of necessary conditions precedent. Fair value gain of ₹ 7,646.40 lakhs is recognised in Other Comprehensive Income in the current quarter and year ended 31st March, 2022 based on independent valuation report and carrying value of such investment as at balance sheet date is ₹ 22,595.23 lakhs. The additional fair value gain will be recognised in the subsequent period as per SPA. The Transaction is expected to complete in the subsequent period after satisfaction of necessary condition precedents as mutually agreed between the parties under the SPA.

Based on above, the carrying value of the investments as at 31st March, 2022 is grouped under current investments which was earlier grouped under non-current investments as on 31st March, 2021.

12 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Considered good - Secured	-	-
Unsecured		
Considered good	38,084.29	36,048.49
Considered Doubtful	319.83	492.16
Less: Allowance for Doubtful debts	(319.83)	(492.16)
Total	**38,084.29**	**36,048.49**

12.1 Unsecured trade receivables includes ₹ 27,322.28 lakhs (P.Y. ₹ 27,499.08 lakhs) receivables from subsidiaries.

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

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Opening balance	492.16	364.01
Add: Allowance for doubtful receivables made during the year	-	128.15
Less: Allowance for doubtful receivables reversed / utilised during the year	(172.33)	-
Closing balance	**319.83**	**492.16**

12.3 Trade receivables ageing schedule - Current :

As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	32,518.60	2,849.00	2,732.40	155.49	2.56	80.09	38,338.14
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii)Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv)Disputed Trade receivables - considered doubtful	-	-	-	-	-	65.98	65.98
Sub total	32,518.60	2,849.00	2,732.40	155.49	2.56	146.07	38,404.12
Less: Allowance for Doubtful debts							(319.83)
Total							38,084.29

As at 31st March, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	29,042.28	4,542.64	1,741.10	746.80	53.29	348.56	36,474.67
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	65.98	65.98
Sub total	29,042.28	4,542.64	1,741.10	746.80	53.29	414.54	36,540.65
Less: Allowance for Doubtful debts							(492.16)
Total							36,048.49

13 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	No. of Units		Amount	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
(a) Cash & cash equivalents				
(i) Balances with banks				
In Current Accounts			1,283.85	2,773.87
(ii) Cash on hand			8.11	7.21
(iii) Investments in Mutual Fund (At FVTPL)				
Quoted				
ICICI Prudential Liquid fund - Direct Plan - Growth	12,86,930.93	3,07,665.93	4,057.13	937.57
Aditya Birla Liquid - Direct Plan - Growth	11,84,291.09	4,64,875.52	4,063.60	1,541.21
			9,412.69	**5,259.86**
(b) Other bank balances (Restricted bank balances)				
In Unpaid Dividend Account			159.12	179.04
In Fixed Deposits (against Bank Guarantee) having Original maturity more than 3 months			331.47	319.74
			490.59	**498.78**
Total			**9,903.28**	**5,758.64**
Aggregate book value of quoted investments			8,120.73	2,478.78
Aggregate market value of quoted investments			8,120.73	2,478.78

14 LOAN-CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Loans to Employees	5.23	4.47
Total	**5.23**	**4.47**

15 OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Accrued Interest on bonds and fixed deposits	55.07	881.78
(Net of provision for Impairment loss, ₹ 97.35 Lakhs, P.Y. ₹ 60.59 Lakhs)		
Others (Forward contract receivable, etc.)	-	38.04
Total	**55.07**	**919.82**

16 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Prepaid Expenses	1,644.20	1,440.72
Balances with Revenue Authorities (including refund receivables)		
Considered good	12,885.18	19,109.00
Considered Doubtful	69.56	91.38
Less: Allowance for Doubtful Advances	(69.56)	(91.38)
Advance against materials & expenses	744.51	1,599.25
Export incentive receivable	1,187.12	2,780.37
Other receivables / advances		
Considered good	112.84	621.33
Considered Doubtful	129.00	47.00
Less: Allowance for Doubtful Advances	(129.00)	(47.00)
Total	**16,573.85**	**25,550.67**

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

Particulars	2021-2022	2020-2021
Opening balance (refer note 8, 9, 15 and 16)	697.97	844.75
Add: Allowance for doubtful advances made during the year	293.77	-
Less: Reversal / utilisation during the year	-	(146.78)
Closing balance	**991.74**	**697.97**

17 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars		As at 31st March, 2022	As at 31st March, 2021
AUTHORISED			
17,50,00,000	Equity Shares of ₹ 2/- each (P.Y.:17,50,00,000 Equity shares of ₹ 2/- each)	3,500.00	3,500.00
5,00,00,000	Unclassified Shares of ₹ 2/- each (P.Y.: 5,00,00,000 Unclassified Shares of ₹ 2/- each)	1,000.00	1,000.00
50,00,000	Preference Shares of ₹ 10/- each (P.Y.: 50,00,000 Preference Shares of ₹ 10/- each)	500.00	500.00
	Total	**5,000.00**	**5,000.00**

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
ISSUED, SUBSCRIBED AND FULLY PAID UP		
7,04,05,750 Equity Shares of ₹ 2/- each fully paid up (P.Y. 7,04,05,750 Equity Shares of ₹ 2/- each fully paid up)	1,408.12	1,408.12
Total	**1,408.12**	**1,408.12**

17.1 Reconciliation of Number of Shares (Equity)	2021-2022		2020-2021	
	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)
Shares outstanding as at the beginning of the year	7,04,05,750	1,408.12	7,04,05,750	1,408.12
Add / (Less): Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	**7,04,05,750**	**1,408.12**	**7,04,05,750**	**1,408.12**
Add / (Less): Movements during the year	-	-	-	-
Shares outstanding as at the end of the year	**7,04,05,750**	**1,408.12**	**7,04,05,750**	**1,408.12**

17.2 Rights, preferences and restrictions attached to Equity Shares

The Company has one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

17.3 Shareholders holding more than 5 per cent of total Equity Shares of the Company

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody	3,24,99,392	46.16	3,24,99,392	46.16
HDFC Small Cap Fund	51,03,389	7.25	51,03,389	7.25

17.4 As per the records of the Company, including its register of shareholders / members & other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

17.5 Shareholding of Promoters:

Name of the Shareholders	No. of Shares as on 31st March, 2022	% of total shares as on 31st March, 2022	No. of Shares as on 31st March, 2021	% Change during the year
1. Prakash Amrut Mody	3,24,99,392	46.16%	3,24,99,392	0%
2. Anita Prakash Mody	13,23,400	1.88%	13,23,400	0%
3. Suparna Prakash Mody	9,49,936	1.35%	9,49,936	0%
4. Supriya Prakash Mody	9,49,936	1.35%	9,49,936	0%
5. Prakash Amrut Mody - Suparna Mody Trust (Promoter Trust)	52,016	0.07%	52,016	0%
6. Prakash Amrut Mody - Supriya Mody Trust (Promoter Trust)	45,052	0.06%	45,052	0%
7. Prakash Amrut Mody - Shwetambari Mody Trust (Promoter Trust)	41,283	0.06%	41,283	0%
Total	**3,58,61,015**	**50.93%**	**3,58,61,015**	**0%**

18 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
CAPITAL REDEMPTION RESERVE		
Balance at the beginning of the year	412.00	412.00
Add: Additions / (deductions) during the year	-	-
Balance at the end of the year	**412.00**	**412.00**
SECURITIES PREMIUM		
Balance at the beginning of the year	133.02	133.02
Add: Additions / (deductions) during the year	-	-
Balance at the end of the year	**133.02**	**133.02**
EMPLOYEE STOCK OPTIONS OUTSTANDING ACCOUNT		
Balance at the beginning of the year	1,204.53	1,204.53
Add: Additions during the year	-	-
Less: Deduction during the year	-	-
	1,204.53	**1,204.53**
Less: Deferred Employees' stock compensation	(136.72)	(429.33)
Balance at the end of the year	**1,067.81**	**775.20**
OTHER COMPREHENSIVE INCOME		
Remeasurements of defined benefit plans		
Balance at the beginning of the year	(538.23)	(465.13)
Add / (Less): Movements during the year	(348.49)	(73.10)
Balance at the end of the year	**(886.72)**	**(538.23)**
EQUITY INSTRUMENT THROUGH OCI		
Balance at the beginning of the year	2,647.69	444.10
Add / (Less): Movements during the year	5,885.69	2,203.59
Balance at the end of the year	**8,533.38**	**2,647.69**
RETAINED EARNINGS		
Balance at the beginning of the year	2,64,895.67	2,62,303.67
Add: Profit / (Loss) for the year	(5,542.96)	5,408.23
Less: Final dividend paid	2,816.23	2,816.23
Balance at the end of the year	**2,56,536.48**	**2,64,895.67**
Total Reserves & Surplus	**2,65,795.97**	**2,68,325.35**

18.1 During the year ended 31st March, 2018, the Company had concluded the buyback of 20,600,000 equity shares aggregating 22.65% of the paid-up equity share capital of the Company at a price of ₹ 430 per equity share. The Company had funded the buyback from its securities premium account, general reserve and retained earnings. Further, capital redemption reserve of ₹ 412.00 lakhs representing the nominal value of the shares bought back had been created as an appropriation from retained earnings. Transaction costs related to buyback were adjusted against retained earnings (net of tax).

18.2 In respect of the year ended 31st March, 2022, the Board of Directors at its meeting held on 27th May, 2022 recommended a dividend of ₹ 4 /- per share to be paid on its fully paid up equity shares having a face value of ₹ 2/- . This equity dividend is subject to the approval of shareholders at the ensuing Annual General Meeting and has not been included as a liability in these standalone financial statements. The total estimated equity dividend to be paid is ₹ 2,816.23 lakhs.

18.3 During the year, the Company has paid final dividend of ₹ 4 per equity share declared for the year ended 31st March, 2021 post approval of the shareholders at the AGM held on 31st July, 2021.

19 BORROWINGS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
SECURED		
Term loan from Bank	8,901.06	-
Total	**8,901.06**	**-**

19.1 During the year, the Company has availed a term loan facility from bank at a floating rate linked to repo rate which is repayable in 20 quarterly installments over the tenure of 5 years commencing from December 2021. Refer note 40 for securities pledged against the loan.

20 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current lease liabilities	2.00	1.84
Non-current lease liabilities	596.21	146.16
Total	**598.21**	**148.00**

Refer note 48

21 PROVISIONS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits:		
Defined benefit plan-Gratuity	1,288.14	609.48
Leave benefits	2,527.99	2,070.04
Long-term bonus	180.04	361.84
Total	**3,996.17**	**3,041.36**

22 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liability (Net)	-	1,370.22
Total	**-**	**1,370.22**

22.1 (a) March 2022 - Deferred tax assets is recognised on the amount of tax loss, unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability. Further, deferred tax assets is not recognised on the amount unused tax losses of ₹ 8,585.25 lakhs (P.Y. Nil)

(b) March 2021 - As at year end, deferred tax liability exceeds the deferred tax assets (including assets in respect of brought forward losses and depreciation) in accordance with the new tax regime. Also MAT credit is not available under the new tax regime. Further, deferred tax liability on fair value gain on equity instruments is net of deferred tax asset on brought forward long term capital loss of ₹ 734.76 Lakhs

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

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Current tax:		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	23.70	62.02
Total Current tax expense	23.70	62.02
Deferred Tax:		
Decrease / (increase) in Deferred Tax Assets	(2,659.77)	2,786.79
(Decrease) / Increase in Deferred Tax Liabilities	(495.74)	(1,692.49)
Total Deferred tax expense / (credit)	(3,155.51)	1,094.30
Aggregate income tax expense	**(3,131.81)**	**1,156.32**

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

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Deferred tax liability on fair value gain on equity instruments (net)	1,760.71	300.51
Deferred tax asset on net loss / (gain) on Remeasurements of Defined Benefit Plans	24.58	(24.58)
Income Tax Expense / (Income) Charged to OCI	**1,785.29**	**275.93**

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

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Profit / (loss) before income taxes	**(8,674.77)**	**6,564.55**
At India's Statutory Income Tax Rate of 25.168% (Previous year 25.168%)	(2,183.27)	1,652.17
Adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of expenses not deductible in determining taxable profit	(60.20)	121.90
Tax rate difference	-	(250.28)
Deferred tax asset recognised on remaining amount of b/f tax loss	(890.43)	(523.33)
Deferred tax regrouped on remeasurements of defined benefit plans	24.58	24.58
Others (net)	-	69.26
Adjusted income tax expense / (credit)	**(3,109.32)**	**1,094.30**
Tax charge / (credit) impact given in Other Comprehensive income	**1,785.29**	**275.92**
Total tax	**(1,324.03)**	**1,370.22**
Effective Income Tax Rate	**15.26%**	**20.87%**

22.5 **Reflected in the Balance Sheet as follows:**

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities		
Depreciation and amortisation	6,837.33	7,333.06
Fair value gain on equity instruments (net)	2,061.22	300.51
	8,898.55	**7,633.57**
Deferred Tax Assets		
Allowance for doubtful trade receivables	80.49	123.87
Allowance for doubtful advances	32.47	14.81
Allowance for impairment in value of investments	1,474.04	1,474.04
Allowance for impairment in value of other financial assets	200.68	141.09
Provision for employee benefits	1,197.81	885.88
Allowance for impairment in value of investments in Associates	118.42	-
Business loss / unabsorbed depreciation	5,761.16	3,618.49
Others	33.48	5.17
	8,898.55	**6,263.35**
Deferred Tax Liabilities (net)	**-**	**1,370.22**

22.6 **Movement of deferred tax during the year 2021-2022**

(₹ in Lakhs)

Particulars	Opening balance 1st April, 2021	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March, 2022
Deferred tax liabilities in relation to				
Depreciation and amortisation	7,333.06	(495.73)	-	6,837.33
Fair value gain on equity instruments (net)	300.51	-	1,760.71	2,061.22
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(123.87)	43.38	-	(80.49)
Allowance for doubtful advances	(14.81)	(17.66)	-	(32.47)
Allowance for impairment in value of investments	(1,474.04)	-	-	(1,474.04)
Allowance for impairment in value of other financial assets	(141.09)	(59.59)	-	(200.68)
Provision for employee benefits	(885.88)	(336.52)	24.58	(1,197.81)
Allowance for impairment in value of investments in Associates	-	(118.42)	-	(118.42)
Business loss / unabsorbed depreciation	(3,618.49)	(2,142.67)	-	(5,761.16)
Others	(5.17)	(28.30)	-	(33.48)
Deferred Tax Liabilities (net)	**1,370.22**	**(3,155.51)**	**1,785.29**	**-**

Movement of deferred tax during the year 2020-2021

(₹ in Lakhs)

Particulars	Opening balance 1st April, 2020	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March, 2021
Deferred tax liabilities in relation to				
Depreciation and amortisation	9,025.55	(1,692.49)	-	7,333.06
Fair value gain on equity instruments (net)	-	-	300.51	300.51
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(113.57)	(10.30)	-	(123.87)
Allowance for doubtful advances	(62.95)	48.14	-	(14.81)
Allowance for impairment in value of investments	(1,474.04)	-	-	(1,474.04)
Allowance for impairment in value of other financial assets	(174.90)	33.81	-	(141.09)
Provision for employee benefits	(812.76)	(48.54)	(24.58)	(885.88)
Business loss / unabsorbed depreciation	(6,338.00)	2,719.51	-	(3,618.49)
Others	(49.33)	44.17	-	(5.17)
Deferred tax Liabilities (net)	**-**	**1,094.30**	**275.93**	**1,370.22**

23 OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Others (Customer Advances)	469.21	469.21
Total	**469.21**	**469.21**

24 BORROWINGS-CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
From Banks		
Packing credit (refer note 40)	1,142.85	-
Loan from Bank (current maturity of long term borrowings) (refer note 19)	2,566.32	-
Total	**3,709.17**	**-**

24.1 There were no differences in details of stock and debtors statement submitted by the Company to bank at the end of each quarter as compared to books of account except minor difference of 0.20% for the quarter ended 30th September, 2021.

25 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 25.1)	884.98	631.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,822.96	18,225.56
Total	**15,707.94**	**18,856.83**

25.1

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Principal amount remaining unpaid to any suppliers as at 31st March	842.51	595.91
Interest due thereon remaining unpaid to any suppliers as at 31st March	42.47	35.37
	884.98	**631.28**
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	658.31	929.06
The amount of interest due and payable for the period of delay in making payments	4.97	25.14
The amount of interest accrued and remaining unpaid as at 31st March	42.47	35.37
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	3.48

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, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	42.47	571.94	264.95	5.48	-	0.14	**884.98**
(ii) Others	1,888.08	8,553.13	4,174.13	118.36	46.94	42.32	**14,822.96**
(iii)Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**1,930.55**	**9,125.07**	**4,439.08**	**123.84**	**46.94**	**42.46**	**15,707.94**

As at 31st March, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	35.37	524.97	70.65	0.16	0.13	-	**631.28**
(ii) Others	3,811.19	8,846.16	4,957.39	534.11	51.42	25.28	**18,225.55**
(iii)Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**3,846.56**	**9,371.13**	**5,028.04**	**534.27**	**51.55**	**25.28**	**18,856.83**

26 OTHER FINANCIAL LIABILITY-CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unclaimed Dividend	159.12	179.04
Deposits from Customers	21.64	19.64
Payable for employee benefits	1,824.14	1,574.98
Payable for Capital Goods	3,209.39	9,793.54
Others (Forward contract payable)	30.89	-
Total	**5,245.18**	**11,567.20**

27 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Payables		
Statutory Dues	2,017.29	2,008.18
Revenue received in advance (refer note 27.1)	2,694.86	2,828.81
Others (customer advances, etc.)	55.93	399.85
Total	**4,768.08**	**5,236.84**

27.1 It includes ₹ 2,694.86 lakhs (P.Y. ₹ 2,828.81 lakhs) 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.

28 PROVISIONS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits:		
Defined benefit plan	439.57	372.10
Leave benefits	503.57	468.26
Long-term bonus	610.83	570.07
Others Provisions		
Claims (refer note 28.1)	55.31	72.17
Total	**1,609.28**	**1,482.60**

28.1 The Company has made provisions for certain claims where cash outflow is expected within 12 months from balance sheet date. The Company does not expect any reimbursement in regards to the provision made.

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Opening Balance	**72.17**	**224.44**
Add: provisions made	-	-
Less: utilisations	16.86	152.27
Closing balance	**55.31**	**72.17**

29 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sale of products	91,918.46	1,07,851.94
Other operating revenues		
Export benefits	997.49	3,026.87
Other operating revenues (Raw material / solvent / scrap sale, R&D revenue, etc.) (refer note 29.2)	1,376.71	1,518.47
	2,374.20	4,545.34
Total Revenue from Operations	**94,292.66**	**1,12,397.28**

29.1 Disclosure for disaggregation of revenue :

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Formulations	76,382.61	93,677.05
Bulk Drugs and chemicals	15,535.85	14,174.89
Total	**91,918.46**	**1,07,851.94**

29.2 Other operating revenues includes ₹ 411.27 lakhs (P.Y. Nil) received upon settlement with the party towards reimbursement of legal expenses incurred by the Company in earlier period. Also, refer note 37 B (ii) of financial statement.

30 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Income (Refer note 30.1)	627.28	2,287.95
Dividend Income on investments measured at Fair value through Profit and Loss	0.37	0.36
Dividend Income on investments measured at Fair value through OCI	1,000.98	-
Net gain on investments measured at Fair value through Profit and Loss	312.19	1,164.20
Profit on sale of property, plant and equipment (net)	-	2.57
Other non-operating Income (guarantee commission, lease rent, etc.(net))	86.54	111.48
Net gain / (Loss) on foreign currency translation and transactions	2,179.43	1,170.55
Total	**4,206.79**	**4,737.11**

30.1 Details of interest income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Income on financial assets measured at amortised cost/others	41.42	28.02
Interest Income on investments measured at Fair value through Profit and loss	585.86	2,259.93

31 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Raw Materials	37,599.92	37,552.51
Packing Materials	5,892.11	7,361.36
Total	**43,492.03**	**44,913.87**

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

(₹ in Lakhs)

Inventories at the Commencement		
Finished Goods	5,875.33	4,526.63
Work in progress	7,746.22	7,422.24
	13,621.55	**11,948.87**
Inventories at year end		
Finished Goods	8,685.66	5,875.33
Work in progress	10,214.94	7,746.22
	18,900.60	**13,621.55**
(Increase) / Decrease in Finished Goods	(2,810.33)	(1,348.70)
(Increase) / Decrease in Work in progress	(2,468.72)	(323.98)
Total change in inventory	**(5,279.05)**	**(1,672.68)**

32 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries & wages	22,373.72	20,896.33
Contribution to Provident and other funds	1,710.79	1,475.33
Share-based payments to employees	224.56	224.56
Staff welfare expenses	770.20	807.51
Total	**25,079.27**	**23,403.73**

33 FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest expense	48.60	51.56
Interest on lease	50.65	13.48
Other borrowing costs (bank charges / fees, etc)	108.17	65.02
Total	**207.42**	**130.06**

34 IMPAIRMENT LOSS ON FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Impairment of other financial asset		
Inter corporate deposits & interest thereon (refer note 34.1)	236.76	-
Investments in equity instruments of associates (refer note 6.2)	569.31	-
Total	**806.07**	**-**

34.1 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 70% (upto 50% in previous year) of the principal amount and interest accrued thereon. Refer note 8 & 15.

35 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Consumption of Stores and Spares	2,360.00	2,084.38
Power and Fuel	7,711.83	6,795.34
Rent	39.25	60.29
Insurance	648.79	577.61
Repairs:		
Plant and Machinery	1,495.60	1,334.96
Buildings	397.90	289.68
Others	3,095.51	2,739.21
Rates and Taxes	351.69	385.42
Advertising and sales promotion	28.12	9.76
Travelling and Conveyance	194.40	64.93
Freight outward (net)	5,070.71	5,957.50
Directors' sitting fees	47.00	41.00
Commission on sales	246.20	176.27
Legal & Professional Expenses	1,123.43	1,581.67
Contribution towards Corporate Social Responsibility (refer note 44)	63.22	328.45
Establishment and Administrative Expenses (refer note 35.1)	11,515.83	13,725.69
Loss on discard / sale of property, plant and equipment (net)	25.34	-
Total	**34,414.82**	**36,152.16**

35.1 Establishment and Administrative Expenses includes following major expenses :

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Research and Development expenditure (mainly Material cost)	3,375.64	4,390.20
Bio Equivalence Studies	608.79	785.30
Lab related expenses (Glass apparatus, chemicals, accessories etc)	1,684.93	1,779.59
Regulatory Fees	1,740.57	2,429.70

36 OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A (i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(323.91)	(97.68)
Equity instruments through other comprehensive income	7,646.40	2,504.10
(ii) Income tax relating to items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(24.58)	24.58
Equity instruments through other comprehensive income (net)	(1,760.71)	(300.51)
Total Comprehensive Income	**5,537.20**	**2,130.49**

37 CONTINGENT LIABILITIES AND OTHER LIABILITIES WHICH ARE REMOTE IN NATURE

A. Matters considered as contingent liability

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
(i) Claims not acknowledged as debts *	1,940.33	1,930.03
(ii) Fine imposed by European Commission (refer note no. 38)	11,818.62	12,044.69
(iii) In respect of the Guarantees given to Bank on behalf of Subsidiaries (to the extent of facility availed by the subsidiaries) (also refer note 40)	2,539.82	2,588.40
(iv) Other money for which the company is contingently liable	71.89	439.93
(v) Other bank guarantees	708.52	713.52
Total	**17,079.18**	**17,716.57**

* includes ₹ 89.25 lakhs (P.Y. ₹ 88.04 lakhs) income tax / sales tax refund amount kept on hold, amount paid under protest / deposit made pending adjudication under Income tax Act, 1961, Finance Act, 1994, Central Excise Act, 1944 and respective State VAT Acts.

Future cash outflow, if any, will be based on the outcome of the appeals / writ petition in case of disputed (a) statutory dues (b) claims from regulatory authorities and (c) European Commission matter (as elaborated in note 38 below). The company does not expect any cash outflow in other matters mentioned above.

B Other liabilities which are remote in nature

(i) Claims made by 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) In the earlier period, one party had filed the legal case on the Company for breach of trust and claimed certain compensation / damages. During the current year, this matter is settled in favour of the Company and amount received by the Company on settlement is included in note 29.2.

(iii) 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.

(iv) 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 (iv), the possibility of any liability devolving on the Company is remote and hence, no disclosure as contingent liability is considered necessary.

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

In this regard, the statutory auditors of Niche have given qualified audit opinion on the financial statement of Niche for the year ended 31st March 2022. They have stated that previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, however following the hearing in October 2021, and their review of the available documentation, their opinion is that it is more likely than not that Niche will be liable for the fine of Euro 13.96 million (equivalent to ₹ 11,818.62 lakhs) and hence they believe that this should be provided for in the financial statements of Niche. As per the board of Directors of Niche, there remains an inherent uncertainty as to the outcome of the appeal and therefore the Directors are of the opinion that no provision should be made at this point of time. The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and continued to disclose the matter under contingent liability.

As at Balance Sheet date, the Company has aggregate financial exposure of ₹ 12,267.33 lakhs in Niche comprising of investment, trade receivable and corporate guarantee given to bank for loan availed by Niche. Considering the impact of on-going litigation as elaborated in the above para and accumulated losses in Niche as at Balance Sheet date, the statutory auditor of the Company are of the view that the Company would need to provide for impairment on the exposure involved of ₹ 12,267.33 lakhs. However, the Company is of the view that such provision for impairment on exposure would be required only in the event of unfavourable outcome of the appeal which itself is uncertain. On the above matter, the auditors of the Company have given qualified opinion in their audit report on standalone financial statement for the year ended 31st March, 2022.

Further, as per the management the future business outlook and projections of the subsidiary are sufficient so as not to warrant any impairment on the investments in subsidiary (Niche) unless the outcome of EU matter is not in favour of the subsidiary.

39 (a) Estimated amount of Contracts remaining to be executed (Net of Advances) on Capital account ₹ 13,394.57 lakhs (P.Y. ₹ 12,361.67 lakhs) and on other revenue accounts ₹ 21,147.99 lakhs (P.Y. ₹ 19,064.57 lakhs) are not provided for.

(b) The Company's intention is to continue to provide financial support to its subsidiaries [Niche Generics Ltd, Unichem Laboratories Ltd (Ireland) and Unichem Farmaceutica Do Brasil Ltda]. Further, pending outcome of the appeal in respect of European Commission matter (refer note 38), the Company will consider all available options to assist the subsidiary.

40 Credit facilities and term loan facility from Kotak Mahindra Bank availed by the Company and / or its subsidiary, Niche Generics Limited (United Kingdom), are secured by first and exclusive mortgage charge on immovable property being industrial land and building known as Unichem Laboratories Limited on plot bearing CTS No. 510 of village Oshiwara and CTS No.1 of village Majas, Prabhat Estate, Off. S. V. Road, Patel Engineering Road, Jogeshwari (West), Mumbai 400 102 and first and exclusive hypothecation charge on movable property, plant and equipment and mortgage charge on immovable properties being Industrial land and building at Goa. Subsequent to the financial year ended 31st March, 2022, the Company has created the mortgage charge on immovable properties at Goa towards credit facilities and term loan facility availed from Kotak Bank.

Further credit facilities from Citibank, N.A. availed by the Company, are secured by way of first and exclusive charge on pledge against investments in mutual funds to the extent of ₹ 3,762.79 lakhs (P.Y. ₹ 3,636.95 lakhs). Additionally, credit facilities availed by the Company from Bank of India, Axis Bank and HDFC Bank are secured against hypothecation of stock and debtors.

Additionally, all credit facilities have been registered with Registrar of Companies (ROC) within the prescribed due date except minor delay in case of registration of modification of charge on credit facility availed from Bank of India on account of procedural reasons.

41 As per Ind AS 108 - "Operating Segment", segment information has been provided under the Notes to Consolidated Financial Statements.

42 The Company has reviewed its investments in wholly owned subsidiaries. In respect of its investment in Unichem Farmaceutica Do Brasil Ltda, Brazil, full impairment loss was recognised in earlier years against total investment amount of ₹ 7,086.72 lakhs (P.Y. ₹ 7,086.72 lakhs). Impairment loss has been continued after an internal assessment based on circumstances prevailing as at the balance sheet date, such as past performance, results, assets, expected cash flows, projections, status of product approvals, nature of the market and regulatory conditions.

43 Expenditure incurred during the year and included in Capital work-in-progress as follows.

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
i) Power & fuel	685.64	47.86
ii) Payroll expenses	669.61	275.68
iii) Freight	0.56	0.18
iv) Insurance	7.29	21.62
v) Travelling Expenses	1.62	0.28
vi) Rent, Rates & Taxes	3.47	-
vii) Depreciation	44.46	44.46
viii) R&D Chemicals	323.29	-
ix) Administrative expenses	205.34	161.41
x) Professional fees	62.62	3.97
xi) Interest	246.68	-
Total	**2,250.58**	**555.46**

44 CORPORATE SOCIAL RESPONSIBILITY

a) Gross amount required to be spent by the company during the year ₹ Nil (P.Y. ₹ Nil)

b) Amount spent during the year on:

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(P.Y.)	-	-	-
(ii) On purpose other than (i) above	63.22	-	63.22
(P.Y.)	(328.45)	-	(328.45)

Note: Since the Company has spent in excess of the amount which was required to be spent for FY 2021-22, the Company is entitled to carry forward the amount spent of ₹ 63.22 lakhs (P.Y ₹ 328.45 lakhs) to subsequent three financial years respectively which can be set off against CSR obligations of these years. However, for accounting purpose, cumulative excess amount spent of ₹ 391.67 lakhs is not considered as prepaid expenses.

45 HEDGE ACCOUNTING

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company manages currency risk as per trends and experiences. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to export receivables. The Company does not enter into any derivative instruments for trading or speculative purposes.

Fair Value Hedge

Hedging Instrument and Hedge Item :

(₹ in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March, 2022		Changes in amount of fair value	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign currency risk Trade Receivables hedged by Forward Contracts	12,523.32	12,492.43	-	(30.89)	April 2022 to August 2022	Other Financial Liability

Hedging Instrument and Hedge Item :

(₹ in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March, 2021		Changes in amount of fair value	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign currency risk Trade Receivables hedged by Forward Contracts	12,565.75	12,603.79	-	38.04	April 2021 to September 2021	Other Financial Assets

i) The following are the outstanding forward contracts:

Currency	Buy / Sell	In Foreign Currency (in lakhs)		₹ in lakhs	
		As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
USD	Sell	164.60	169.99	12,492.43	12,603.79

ii) Foreign Currency exposure not hedged by forward contracts are given below :

Particulars	In Foreign Currency (in lakhs)		₹ in lakhs	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
A) Trade Receivables and Vendor advances				
Euro	43.02	45.25	3,616.51	3,873.30
USD	275.69	307.49	20,875.78	22,459.24
Others (GBP, ZAR, CAD & CHF)			1,952.41	2,088.00
B) Trade Payables and Customer advances				
Euro	12.73	4.15	1,077.75	358.32
USD	41.12	56.38	3,132.76	4,147.08
Others (GBP & ZAR)			17.79	215.90
C) Borrowings				
USD (PCFC loan)	15.00	-	1,142.85	-

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

46 EMPLOYEE BENEFITS

The Company has a defined benefit gratuity plan. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Other long term benefits comprises of leave entitlements and long term bonus to the employees. Leave entitlements benefits is partly funded by the Company.

Bifurcation of liability including short term leave benefits as per Schedule III of the Companies Act, 2013:

(₹ in Lakhs)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current Liability	Non-Current Liability	Net Liability	Current Liability	Non-Current Liability	Net Liability
Gratuity	439.57	1,288.14	**1,727.71**	372.10	609.48	**981.58**
Leave entitlements	503.57	2,527.99	**3,031.56**	468.26	2,070.04	**2,538.30**
Long term Bonus	610.83	180.04	**790.87**	570.07	361.84	**931.91**
Net Liability	**1,553.97**	**3,996.17**	**5,550.14**	**1,410.43**	**3,041.36**	**4,451.79**

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

Particulars	Gratuity	
	2021-2022	2020-2021
Discount rate	6.70%	6.30%
Salary growth rate	9.00%	9.00%
Expected rate of return on Plan assets	6.70%	6.30%
Withdrawal rate	15% at younger ages reducing to 2% at older ages	15% at younger ages reducing to 2% at older ages

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discounting rate is based on material yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations. The overall expected rate of return on assets is based on the LIC structure of interest rates on gratuity funds.

The following tables summarise the funded status and amounts recognised in the balance sheet for gratuity .

Funded status of the plan :

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2022	As at 31st March, 2021
Present value of funded obligations	3,508.69	2,816.53
Fair value of plan assets	1,780.98	1,834.95
Net Liability (Asset)	**1,727.71**	**981.58**

Amount charged to statement of Profit and loss:

(₹ in Lakhs)

Particulars	Gratuity	
	2021-2022	2020-2021
Current service cost	372.10	299.93
Net interest cost	50.12	27.49
Total Charge to statement of P&L (included in employee benefit expense)	**422.22**	**327.42**

Amount charged to Other Comprehensive Income:

(₹ in Lakhs)

Particulars	Gratuity	
	2021-2022	2020-2021
Components of actuarial gain / (losses) on obligations:		
Due to Change in financial assumptions	(97.06)	55.07
Due to change in demographic assumption	-	-
Due to experience adjustments	456.39	82.25
Return on plan assets excluding amounts included in interest income	(35.42)	(39.64)
Amounts recognized in Other Comprehensive Income	**323.91**	**97.68**

Reconciliation of defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity	
	2021-2022	2020-2021
Opening Defined Benefit Obligation	**2,816.52**	**2,358.60**
Current service cost	372.10	299.93
Interest cost	148.05	128.89
Actuarial loss / (gain) due to change in financial assumptions	(97.06)	55.06
Due to change in demographic assumption	-	-
Actuarial loss / (gain) due to experience adjustments	456.39	82.25
Benefits paid	(187.31)	(108.21)
Closing Defined Benefit Obligation	**3,508.69**	**2,816.52**

Reconciliation of plan assets:

(₹ in Lakhs)

Particulars	Gratuity	
	2021-2022	2020-2021
Opening value of plan assets	**1,834.95**	**1,792.15**
Interest Income	97.93	101.40
Return on plan assets excluding above	35.42	39.64
Contributions by employer	-	9.97
Benefits paid	(187.31)	(108.21)
Closing value of plan assets	**1,780.99**	**1,834.95**

Sensitivity analysis:

Assumptions	Change in assumptions		Increase/(decrease) in defined benefit obligation	
	Increase/decrease	Percentage	2021-2022	2020-2021
Discount rate	Increase by	0.5%	-3.24%	-3.21%
	Decrease by	0.5%	3.48%	3.46%
Salary growth rate	Increase by	0.5%	3.39%	3.35%
	Decrease by	0.5%	-3.19%	-3.15%
Withdrawal rate	Increase by	10%	-0.93%	-1.10%
	Decrease by	10%	1.01%	1.20%

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: investment risk, interest risk, longevity risk and salary risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Expected contribution and weighted average duration for defined benefit obligation:

Particulars	2021-2022	2020-2021
Expected contribution for the next year (₹ Lakhs)	439.57	372.10
Weighted average duration for defined benefit obligation (years)	6.31	6.06

Asset-liability matching strategies

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

47 RELATED PARTY DISCLOSURES

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

(a) List of related parties

(i) Subsidiaries of the Company (Wholly Owned) : 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)	**(ii) Enterprises under significant influence of key management personnel as defined in (iii) (disclosed to the extent of transactions)** Uni - Distributors Pvt. Ltd. Adiwasi Unnati Mandal Uni Trust Prakash Amrut Mody - Suparna Mody (Promoter Trust) Prakash Amrut Mody - Supriya Mody (Promoter Trust) Prakash Amrut Mody - Shwetambari Mody (Promoter Trust) Also Refer note (f)
(iii) Key management personnel and their relatives: (disclosed to the extent of transactions) Dr. Prakash A. Mody (Chairman & Managing Director - CMD, Promoter) Mrs. Anita Mody (Spouse of CMD) Ms. Supriya Mody (Daughter of CMD) Ms. Suparna Mody (Daughter of CMD) Mr. Dilip J. Kunkolienkar (Director - Technical)	**(iv) Independent Directors:** Dr. (Mrs.) B. Kinnera Murthy Mr. Anand Y. Mahajan Mr. Prafull Anubhai Mr. Prafull D Sheth
(v) Post-employment benefit plans: Unichem Laboratories Ltd.-Employees Gratuity Fund Unichem Laboratories Ltd.-Employees Superannuation Fund	**(vi) Key management personnel and their relatives as per Companies Act, 2013** Mr. Pradeep Bhandari - (Head - Legal & Company Secretary) Mr. Sandip Ghume (Dy. Chief Financial Officer)

b) Disclosure of related party transactions :

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
i) Sale of finished goods / solvents (Net of returns)		
Subsidiaries		
Niche Generics Limited.	2,125.54	2,540.27
Unichem SA Pty. LTD.	1,148.38	876.19
Unichem Farmaceutica Do Brasil Ltda	2,271.44	1,901.19
Unichem Pharmaceuticals (USA) Inc.	48,191.58	63,785.79
Unichem Laboratories Ltd (Ireland)	74.18	185.74
	53,811.12	**69,289.18**
ii) Reimbursements given by subsidiaries (excluding indirect tax)		
Unichem Pharmaceuticals (USA) Inc.	521.16	1,651.55
Unichem SA Pty. LTD.	141.04	11.73
	662.20	**1,663.28**
iii) Investments made (P.Y. includes guarantee commission & ESOP)		
a) Subsidiary		
Unichem Pharmaceuticals (USA) Inc.	68.04	68.04
Unichem Laboratories Ltd (Ireland)	-	872.70
Niche Generics Limited	-	25.96
Unichem (China) Pvt Ltd	222.90	-
b) Guarantee commission income		
Niche Generics Limited	28.86	-
	319.80	**966.70**
iv) Commission Expense		
Unichem Farmaceutica Do Brasil Ltda	33.74	30.05
	33.74	**30.05**
v) Guarantees to banks - given / (reduced)		
On behalf of Subsidiary Company		
Unichem Laboratories Ltd (Ireland)	-	(503.36)
	-	**(503.36)**
vi) Rent & Maintenance paid (excluding indirect taxes)		
Relative of Key Management Personnel		
Mrs Anita Mody	18.05	18.66
Enterprise under significant influence of Key Management Personnel		
Uni - Distributors Pvt. Ltd.	12.86	11.69
Uni Trust	9.00	9.00
	39.91	**39.35**
vii) Managerial remuneration (including defined contribution plan)		
Key Management Personnel		
Dr. Prakash A. Mody	555.28	542.63
Mr. Dilip J. Kunkolienkar	196.43	181.00
	751.71	**723.63**
viii) Salary (including defined contribution plan)		
Relative of Key Management Personnel		
Ms Supriya Mody	93.86	84.84
	93.86	**84.84**
ix) Dividend Paid		
Key Management Personnel & Relatives		
Dr. Prakash A. Mody	1,299.98	1,299.98
Mrs Anita Mody	52.94	52.94
Ms Supriya Mody	38.00	38.00
Ms. Suparna Mody	38.00	38.00
Mr. Dilip J. Kunkolienkar	3.02	3.02
Prakash Amrut Mody - Suparna Mody (Promoter Trust)	2.08	2.08
Prakash Amrut Mody - Supriya Mody (Promoter Trust)	1.80	1.80
Prakash Amrut Mody - Shwetambari Mody (Promoter Trust)	1.65	1.65
	1,437.47	**1,437.47**
Independent Directors		
Mr. Anand Y. Mahajan	0.60	0.60
Mr. Prafull Anubhai	0.03	0.03
Mr. Prafull D Sheth	0.30	0.30
	0.93	**0.93**
x) Expenses Reimbursement (Establishment and administrative expenses)		
Subsidiaries		
Niche Generics Limited.	19.68	229.20
Unichem SA Pty. LTD.	18.66	20.43
Unichem Farmaceutica Do Brasil Ltda	32.07	64.22
Unichem Pharmaceuticals (USA) Inc.	179.04	133.94
	249.45	**447.79**
xi) Sitting Fees		
Independent Directors		
Dr. (Mrs.) B. Kinnera Murthy	12.00	10.50
Mr. Anand Y. Mahajan	10.50	9.50
Mr. Prafull Anubhai	13.00	11.50
Mr. Prafull D Sheth	11.50	9.50
	47.00	**41.00**
xii) Corporate Social Responsibility		
Enterprise under significant influence of Key Management Personnel		
Adiwasi Unnati Mandal	-	10.00
	-	**10.00**

c) Disclosure of related party balances :

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
i) Trade Receivables		
Subsidiaries		
Niche Generics Limited.	2,818.15	3,064.03
Unichem SA Pty. LTD.	583.54	361.55
Unichem Farmaceutica Do Brasil Ltda	3,963.10	3,348.49
Unichem Pharmaceuticals (USA) Inc.	19,865.42	20,605.61
Unichem Laboratories Ltd (Ireland)	92.07	119.40
	27,322.28	**27,499.08**
ii) Trade Payables		
Subsidiaries		
Niche Generics Limited.	2.28	27.66
Unichem SA Pty. LTD.	1.62	4.76
Unichem Farmaceutica Do Brasil Ltda	-	51.30
Unichem Pharmaceuticals (USA) Inc.	10.59	12.95
	14.49	**96.67**
iii) Commission Payable		
Unichem Farmaceutica Do Brasil Ltda	5.23	14.34
	5.23	**14.34**
iv) Investments in subsidiaries		
In equity shares		
Niche Generics Limited **	6,909.36	7,014.36
Unichem SA Pty. LTD.	12.14	12.14
Unichem Farmaceutica Do Brasil Ltda *	7,086.72	7,086.72
Unichem Pharmaceuticals (USA) Inc.**	3,200.25	3,548.36
Unichem Laboratories Ltd (Ireland) **	2,104.84	2,145.27
Unichem (China) Pvt Ltd (China)	366.63	143.73
* fully provided as impairment in value of investment		
** decrease in investments represents guarantee commission receivable regrouped to trade receivables or realised during the year		
	19,679.94	**19,950.58**
v) Guarantees given (to the extent of facility availed by the subsidiaries)		
to Banks on behalf of Subsidiary Company		
Niche Generics Limited.	2,539.82	2,588.40
	2,539.82	**2,588.40**
vi) Deposits paid		
Relative of Key Management Personnel		
Mrs Anita Mody	45.90	45.90
Enterprise under significant influence of Key Management Personnel		
Uni - Distributors Pvt. Ltd.	5.00	5.00
Uni Trust	2.25	2.25
	53.15	**53.15**
vii) Other Current Liabilities		
Key Management Personnel		
Dr. Prakash A. Mody	66.23	50.85
	66.23	**50.85**
viii) Sitting Fees Payable		
Dr. (Mrs.) B. Kinnera Murthy	0.90	-
Mr. Anand Y. Mahajan	0.90	-
Mr. Prafull Anubhai	0.90	-
Mr. Prafull D Sheth	1.35	-
	4.05	**-**

d) Contribution to post employment benefit plan :

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Post-employment benefit plans		
Unichem Laboratories Ltd. - Employees Gratuity Fund	-	9.97
Unichem Laboratories Ltd. - Employees Superannuation Fund	101.01	86.12
	101.01	**96.09**

e) Following are Key management Personnel (not covered above) in accordance with provisions of Companies Act, 2013. Details of transactions and balances are below :

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
i) Salary (including defined contribution plan)		
Key Management Personnel		
Mr. Pradeep Bhandari	92.60	77.38
Mr. Sandip Ghume	98.86	52.63
	191.46	**130.01**

1 Number of options pending to be exercised by Mr. Dilip Kunkolienkar as on 31st March, 2022 are 2,46,176 (P.Y. 2,46,176).
2 Key Managerial Personnel and their Relatives who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above. Further, it also does not include actual payments of gratuity and leave encashment. Also, re-imbursement of expenses to KMP and their relatives are not included above.
3 Related party contracts / arrangements have been entered in ordinary course of business and are approved by the board of directors/ shareholders as applicable.

f) In view of the Management, equity Investment in Synchron Research Services Pvt Ltd will not result the investee company becoming a related party since there is no control / influence over operations:
The summary of transactions with Synchron Research Services Pvt. Ltd are as follows (also refer note 6.2):

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Research & Development Expenditure (Bio-equivalence studies)	-	80.80
Rent Income (net of indirect tax)	30.75	46.12
Deposit received	-	7.50
Capital Goods Purchased	461.14	-

48 LEASE

Disclosure as per Ind AS 116 'Leases' is as given below. Also, refer note 2.15 and 4.

As a Lessee :

a) The Company has obtained certain equipment under non-cancellable lease agreements for the period of 36 months which are subject to renewal at mutual consent. For such leases with lower underlying value asset, the Company has applied the 'low value asset' recognition exemption. The expenses charged to the statement of profit & loss in current year is ₹ 30.43 lakhs (P.Y. ₹ 35.55 lakhs) and is grouped under note 35 (establishment and administrative expenses).

(₹ in Lakhs)

The details of outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows	2021-2022	2020-2021
Lease payment not later than one year	22.60	34.07
Lease Payment later than one year and not later than five years	1.24	7.73
Lease Payment later than five years	-	-
Total	**23.84**	**41.80**

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 ₹ 109.30 lakhs (P.Y. ₹ 140.36 lakhs) and is grouped under note 35 (rent and establishment & administrative expenses).

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

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Interest expense on lease liabilities (Refer note 33)	50.65	13.48
Lease expenses in case of short-term leases (Refer note 48(b))	109.30	140.36
Lease expenses in case of low value leases (other than short-term as disclosed above) (Refer note 48(a))	30.43	35.55
Lease payments debited to lease liabilities	1.84	1.72
Total cash outflow for leases [including short-term and low value leases]	**192.22**	**191.11**
Additions to ROU assets	**2,390.25**	**209.78**

d) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2022 and 31st March, 2021 on an undiscounted basis:

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Lease payment not later than one year	12.21	9.72
Lease Payment later than one year and not later than five years	198.24	38.88
Lease Payment later than five years	2,012.42	435.14
Total	**2,222.87**	**483.74**

e) The right of use asset is depreciated using the straight-line method (SLM) from the commencement date over the lease term of right of use asset. For details of addition, depreciation and carrying amount of right of use asset (refer note 4).

49 EARNINGS PER EQUITY SHARE (EPS)

Particulars			2021-2022	2020-2021
Weighted average number of equity shares for basic EPS	(A)	Nos	7,04,05,750	7,04,05,750
Add: Potential equity shares (ESOP)		Nos	-	-
Weighted average number of equity shares for diluted EPS	(B)	Nos	7,04,05,750	7,04,05,750
Face value of equity share (fully paid)		₹	2.00	2.00
Profit / (loss) attributable to equity shareholders for basic & Diluted EPS	(C)	₹ lakhs	(5,542.96)	5,408.23
Earnings per equity share				
Basic	(C/A)	₹	(7.87)	(7.68)
Diluted	(C/B)	₹	(7.87)	(7.68)

Note: In respect of current year, ESOPs are anti-dilutive and therefore, not considered for calculation of diluted earning per share. In respect of previous year, potential equity shares in the form of ESOPs had exercise price greater than average market price and hence, did not have dilutive effect.

50 SHARE-BASED PAYMENT PLANS (ESOP)

(i) During the year ended 31st March, 2022 the company has share based payment arrangements which are described below:

Type of arrangement	ESOP 2018
	Senior Management stock option scheme - I
Date of Grant	06.08.2018
Number granted	15,12,224
Contractual life	3-5 Years
Vesting condition	As decided by Board/ Compensation Committee based on various factors

(ii) Summary of stock option are as follows:

Particulars	ESOP 2018	
	2021-2022	2020-2021
Option outstanding at the beginning of the year (Nos.)	15,12,224	15,12,224
Granted during the year (Nos.)	-	-
Exercised during the year (Nos.)	-	-
Lapsed during the year (Nos.)	-	-
Option outstanding at the end of the year (Nos.)	**15,12,224**	**15,12,224**
Vested and exercisable at the end of the year (Nos.)	-	-
Weighted Average Exercise Price (₹)	250	250
Weighted Average Fair Value of Option at the measurement date * (₹)	80	80

** Fair value calculated based on Black & Scholes option pricing model*

(iii) Share options outstanding at the end of year have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Scheme Name	Exercise price (₹)	No. of ESOPS	
				2021-2022	2020-2021
6th Aug, 2018	30th June, 2023	ESOP 2018	250	7,56,112	7,56,112
6th Aug, 2018	30th June, 2024	ESOP 2018	250	7,56,112	7,56,112
				15,12,224	**15,12,224**

(iv) Expense arising from share-based payment transactions:

Expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expenses were as follows:

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Employee stock option plan	224.56	224.56
Total	**224.56**	**224.56**

51 PAYMENTS TO STATUTORY AUDITORS AND COST AUDITORS

(i) Statutory Auditors (Excluding indirect tax)

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Included in Establishment & Administrative expenses:		
Audit Fees	44.20	41.00
Tax Audit	9.50	9.50
Certification Charges	2.78	3.41
Taxation	84.75	71.47
Reimbursement of Expenses	2.23	0.03
Total	**143.46**	**125.41**

(ii) Cost Auditors (Excluding indirect Tax)

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Included in Establishment & Administrative expenses:		
Audit Fees	8.25	7.50
Certification charges	0.11	0.10
Total	**8.36**	**7.60**

52 RESEARCH & DEVELOPMENT EXPENDITURE

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

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Materials	3,866.31	5,379.18
Salaries, wages and Ex-gratia	3,229.21	3,116.79
Contribution to Provident fund and other Funds	203.32	159.55
Employee's welfare expenses	63.93	57.48
Rent	14.45	25.36
Insurance	39.61	42.99
Rates and Taxes	19.72	21.65
Repairs:		
Buildings	-	0.03
Plant and machinery	102.34	126.26
Others	265.31	256.02
Power and fuel	379.70	343.32
Travelling and conveyance	32.65	7.28
Legal & Professional Expenses	463.83	732.18
Others (Depreciation, Bioequivalence Studies, etc.)	2,593.72	2,722.72
Total	**11,274.10**	**12,990.81**

ii) Research and Development expenditure at units approved by Department of Scientific & Industrial Research included in total Research and Development expenditure (Refer note 53(i)).

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Materials	3,005.50	3,999.67
Salaries, wages and Ex-gratia	3,118.78	2,999.73
Contribution to Provident fund and other Funds	199.98	157.29
Employee's welfare expenses	63.08	56.52
Rent	14.45	25.36
Insurance	30.05	37.13
Rates and Taxes	19.37	21.65
Repairs:		
Plant and machinery	94.95	122.81
Others	249.37	244.17
Power and fuel	302.80	278.88
Travelling and conveyance	32.65	7.28
Legal & Professional Expenses	463.80	732.16
Others (Depreciation,Bioequivalence Studies, etc.)	2,183.28	2,340.16
Total	**9,778.06**	**11,022.81**

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

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Amount outstanding as at year end :		
Guarantees given *	2,539.82	2,588.40
Investments made ** (P.Y. includes guarantee commission receivable which is required to trade receivables or realised)	54,756.47	61,607.46

* Guarantees are given to subsidiaries for business purposes

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

54 FINANCIAL INSTRUMENTS

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:*				
Amortised cost				
Cash and cash equivalents	1,291.96	1,291.96	2,781.08	2,781.08
Other Bank Balances	490.59	490.59	498.78	498.78
Trade receivables	38,084.29	38,084.29	36,048.49	36,048.49
Loans	16.83	16.83	11.75	11.75
Other Financial Assets	868.13	868.13	1,908.11	1,908.11
Fair value through profit or loss				
Investments in mutual funds and bonds (including Cash and cash equivalents)	11,883.52	11,883.52	26,121.70	26,121.70
Investments in equity instruments	28.47	28.47	17.03	17.03
Derivative Instruments	-	-	38.04	38.04
Fair value through OCI				
Investments in equity instruments	22,595.23	22,595.23	14,948.83	14,948.83
Total	**75,259.02**	**75,259.02**	**82,373.81**	**82,373.81**
Financial liabilities:				
Amortised cost				
Borrowings	12,610.23	12,610.23	-	-
Trade payables	15,707.94	15,707.94	18,856.83	18,856.83
Lease liabilities	598.21	598.21	148.00	148.00
Other financial liabilities	5,214.29	5,214.29	11,567.20	11,567.20
Fair value through profit or loss				
Derivative Instruments	30.89	30.89	-	-
Total	**34,161.56**	**34,161.56**	**30,572.03**	**30,572.03**

* 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, 2022:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments (other than in subsidiaries)	26.47	-	22,597.23	22,623.70
Investments in mutual funds & bonds	11,883.52	-	-	11,883.52
Financial Liabilities				
Derivative Instruments (gain) / loss	-	30.89	-	30.89

Fair value hierarchy as at 31st March, 2021:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments (other than in subsidiaries)	15.03	-	14,950.83	14,965.86
Investments in mutual funds & bonds	26,121.70	-	-	26,121.70
Derivative Instruments (gain) / loss	-	(38.04)	-	(38.04)

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 :

a) Equity investments traded in an active market determined by reference to their quoted market prices.

b) Investments which are designated through other comphrensive income are fair valued and the changes in fair value is recognised in other comprehensive income. There are no gains / losses from such investments.

Derivative instruments: For forward contracts and cross currency interest rate swaps, future cash flows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates and forward interest rates, discounted at a rate that reflects the credit risk of respective counterparties.

55 FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

Market risk:

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying equity prices.

Foreign currency exchange rate risk:

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries and foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Since a major part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD & EURO. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges all trade receivables upto a maximum of 6 months forward based on historical trends. Hedge effectiveness is assessed on a regular basis.

The following table sets forth information relating to foreign currency exposure from USD, EUR and other currencies (which are not material) form non-derivative financial instruments:

(₹ in Lakhs)

As at 31st March, 2022	USD	Euro	Others*	Total
Assets				
Trade Receivables and vendor advances	33,184.65	3,616.51	1,952.41	38,753.57
Total	**33,184.65**	**3,616.51**	**1,952.41**	**38,753.57**
Liabilities				
Trade Payable and customer advances	3,132.76	1,077.75	17.79	4,228.30
Borrowings	12,610.23	-	-	12,610.23
Total	**15,742.99**	**1,077.75**	**17.79**	**16,838.53**
Net Assets / Liabilities	**17,441.66**	**2,538.76**	**1,934.62**	**21,915.04**

* Others mainly include currency namely GBP (pounds), ZAR, CAD & CHF

(₹ in Lakhs)

As at 31st March, 2021	USD	Euro	Others*	Total
Assets				
Trade Receivables and vendor advances	35,063.03	3,873.30	2,088.00	41,024.33
Total	**35,063.03**	**3,873.30**	**2,088.00**	**41,024.33**
Liabilities				
Trade Payable and customer advances	4,147.08	358.32	215.90	4,721.30
Total	**4,147.08**	**358.32**	**215.90**	**4,721.30**
Net Assets / Liabilities	**30,915.95**	**3,514.98**	**1,872.10**	**36,303.03**

* Others mainly include currency namely GBP (pounds), ZAR & CAD

Sensitivity analysis

(₹ in Lakhs)

Particulars	FOREIGN CURRENCY SENSITIVITY					
	As at 31st March, 2022			As at 31st March, 2021		
	USD	Euro	Others	USD	Euro	Others
1 % Appreciation in INR Impact on Profit & Loss	(174.42)	(25.39)	(19.35)	(309.16)	(35.15)	(18.72)
1 % Depreciation in INR Impact on Profit & Loss	174.42	25.39	19.35	309.16	35.15	18.72

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, 2022. 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, 2021.(refer note 38)

The Company limits its exposure to credit risk by generally investing in liquid securities having and only with counterparties that have a good credit rating. The company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

None of the financial instruments of the company result in material concentration of credit risk. Geographic concentration of credit risk relating to trade receivable (other than subsidiaries) is predominantly there in USA i.e. above 10% and less than 10% in other countries. Refer note 12 for movement in expected credit loss allowance.

Liquidity risk:

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

(₹ in Lakhs)

As at 31st March, 2022	In 1 year	More than 1 year	Total
Trade Payable	15,707.94	-	15,707.94
Lease liabilities	2.00	596.21	598.21
Borrowings	3,709.17	8,901.06	12,610.23
Other financial liabilities	5,245.18	-	5,245.18
Total	**24,664.29**	**9,497.27**	**34,161.56**

(₹ in Lakhs)

As at 31st March, 2021	In 1 year	More than 1 year	Total
Trade Payable	18,856.83	-	18,856.83
Lease liabilities	1.84	146.16	148.00
Other financial liabilities	11,567.20	-	11,567.20
Total	**30,425.87**	**146.16**	**30,572.03**

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, 2022 and 31st March, 2021.

56 RATIOS

Ratio	Numerator	Denominator	2021-22 Current Period	2020-21 Previous Period	% Variance	Reason for variance
(a) Current Ratio	Current Assets	Current Liabilities	4.41	3.51	26%	Increase in Current assets (also refer note 11.1)
(b) Debt-Equity Ratio	Total Borrowings	Shareholder`s Equity	0.05	-	N/A	Additional loan is availed in the current year
(c) Debt Service Coverage Ratio	Net Profit after tax+Depreciation and amortization expense+Finance cost+loss on sale of PPE	Interest & Lease payments + Principal repayments	2.68	99.45	-97%	Same reason as (b) above
(d) Return on Equity	Profit after tax	Average Shareholder's Equity	-2.06%	2.02%	-202%	Loss due to lower sales and margin thereon
(e) Inventory/Stock Turnover Ratio	Cost of goods sold +consumption of stores and spares	Average Inventory	0.96	1.29	-26%	Incease in inventory due to Lower sales
(f) Trade Receivables Turnover Ratio	Sales	Average Trade Receivable	2.48	3.16	-22%	
(g) Trade payables Turnover Ratio	Purchases	Average Trade Payables	5.22	5.58	-6%	
(h) Net Capital Turnover Ratio	Sales	Working Capital	0.87	1.15	-24%	
(i) Net Profit Ratio	Net Profit after tax	Sales	-6.03%	5.01%	-220%	Same reason as (d) above
(j) Return on Capital Employed	Profit before interest and tax	Capital Employed	-3.03%	2.47%	-223%	Same reason as (d) above
(k) Return on Investment	Income generated from invested funds including fair valuation	Average invested funds	25.15%	10.55%	138%	Higher fair value of investments through Other Comprehensive Income (FVTOCI)

57 As on 31st March, 2022, the Company has not been declared wilful defaulter by any bank/ financial institution or other lender.

58 The Company is not engaged in the business of trading or investing in crypto currency or virtual currency and hence no disclosure is required.

59 The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

60 The Company has not advanced any funds or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
The Company has not received any funds from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such entity shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

61 No proceedings have been initiated or are pending against the Company as on 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

62 The Company does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and hence, no disclosure is required.

63 The Company has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

64 There is no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 27th May, 2022

Sandip Ghume
Deputy Chief
Financial Officer

Pradeep Bhandari
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

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

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of **Unichem Laboratories Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in paragraph 9 below on separate financial statements and on the other financial information of the subsidiaries and the associate, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022 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 Qualified Opinion

3. We draw your attention to the following qualification to the audit opinion of the financial statements of Niche Generics Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its Report dated 20th May, 2022 reproduced by us as under:

   "We draw attention to note 18 of the financial statements [of Niche Generics Limited] which sets out the current on-going litigation the subsidiary is facing. Whilst previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, following the hearing in October 2021, and our review of the available documentation, our opinion is that it is more likely than not that the Company will be liable for the Euro 13.96 million fine (worth approximately GBP 11.8 million at the balance sheet date). Accordingly, we believe that this should be provided for in the financial statement. The Directors' opinion is that there remains an inherent uncertainty as to the outcome of the appeal and therefore the directors are of the opinion that no provision should be made at this point in time. The impact on the financial statements of including the provision would be that the Company would show a loss for the year of approximately GBP 12.2 million and have net liabilities of approximately GBP 11.7 million at the balance sheet date."

   Accordingly, the impact on the consolidated financial statements of including the above provision would be that the Holding Company would show consolidated total comprehensive loss for the year of ₹ 3,137.40 lakhs and balance in other equity of ₹ 248,614.36 lakhs as at balance sheet date as against the reported figures of consolidated total comprehensive income for the year of ₹ 8,681.22 lakhs and Other equity of ₹ 260,432.98 lakhs. Also, refer note 39 of consolidated financial statements.

4. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Basis for Qualified Opinion paragraph above, we have determined that there are no other key audit matters to communicate in our report.

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

6. 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 Report and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

   The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

   - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

   - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

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

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other matters

9. We did not audit the standalone financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 60,378.28 lakhs, total revenues (including other income) of ₹ 86,520.66 lakhs, share of total profit after tax amounting to ₹ 2,894.13 lakhs and net cash outflow amounting to ₹ 1,089.34 lakhs for the year ended 31st March, 2022, 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.

10. The consolidated financial statements also include the Group's share of net loss of ₹ 106.10 lakhs for the year ended 31st March, 2022 as considered in the consolidated financial statements, in respect of the associate, whose financial information have not been audited by us. This financial information is unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the financial information provided to us by the management. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the standalone financial statements of the associate which are certified by the Management. Also refer para 3 above under Basis for qualified opinion.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143 (3) of the Act, we report that:

    a. Except in respect of matter specified in the Basis for Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements;

    b. Except for the effects of the matter described in the Basis of Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors; and with respect to associate, we have relied on the information and explanation provided to us by the management;

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

    e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse impact on the functioning of the Group.;

    f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act. The Subsidiary companies are incorporated outside India; hence, section 164(2) of the Act is not applicable to the subsidiary companies. With respect to the associate, the information about disqualification of director u/s 164(2) is not available; hence, we cannot comment on the same;

g. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, considering that the wholly owned subsidiaries are incorporated outside India and an associate whose accounts are not audited 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;

h. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on its financial position of the Group and the associate. Refer note 38(A)(i), 38(A)(ii), 38(B)(i), 38(B)(iii) and 38(B)(iv) to the consolidated financial statements;

   ii. The Group and the associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. With respect to the subsidiaries and the associate, this clause is not applicable.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement. Also, refer note 58 of the consolidated financial statements.

   v. As stated in note 19 to the consolidated financial statements:

   (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

   (b) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

Milan Mody
Partner
Membership No.: 103286
UDIN.: 22103286AJSROU1070

Place: Mumbai
Date: 27th May, 2022

Annexure I to Independent Auditor's Report for the year ended 31st March, 2022
[Referred to in point 11 (g) under the heading "Report on other legal and regulatory requirements" of our report of even date]
Report on the Internal Financial Controls under section 143(3)(I) of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of Unichem Laboratories Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company as of and for the year ended 31st March, 2022, 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, 2022, 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

Milan Mody
Partner
Membership No.: 103286
UDIN.: 22103286AJSROU1070

Place: Mumbai
Date: 27th May, 2022

Consolidated Balance Sheet as at 31st March, 2022

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	92,448.89	83,281.41
(b) Right of use assets	4	6,400.01	4,606.35
(c) Capital work-in-progress	3	49,381.42	56,749.62
(d) Investment property	5	-	353.29
(e) Goodwill	3	154.51	154.51
(f) Other intangible assets	3	-	-
(g) Investments accounted for using the equity method	6	-	593.23
(h) Financial assets			
(i) Investments	6	28.47	14,965.86
(ii) Loans	7	11.60	7.28
(iii) Other financial assets	8	813.06	1,026.33
(i) Deferred tax assets (net)	9	435.51	1,395.36
(j) Other non-current assets	10	17,364.53	11,706.50
		1,67,038.00	**1,74,839.74**
Current assets			
(a) Inventories	11	60,022.15	53,833.98
(b) Financial assets			
(i) Investments	12	26,358.02	23,642.92
(ii) Trade receivables	13	49,543.31	25,026.95
(iii) Cash and bank balances	14		
Cash & cash equivalents		10,919.63	7,746.08
Other bank balances		490.59	498.78
(iv) Loans	15	5.23	4.47
(v) Other financial assets	16	55.07	919.82
(c) Other current assets	17	17,098.47	26,058.66
		1,64,492.47	**1,37,731.66**
Non-current Assets held for sale	**5.ii**	**346.96**	**-**
TOTAL ASSETS		**3,31,877.43**	**3,12,571.40**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	1,408.12	1,408.12
(b) Other equity	19	2,60,432.98	2,54,275.36
		2,61,841.10	**2,55,683.48**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	8,901.06	-
(ii) Lease liabilities	21	1,457.12	1,431.02
(b) Provisions	22	3,996.17	3,041.36
(c) Deferred tax liabilities (net)	23	-	1,370.22
(d) Other non-current liabilities	24	469.21	469.21
		14,823.56	**6,311.81**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	24,135.18	10,062.50
(ii) Lease liabilities	21	421.84	415.79
(iii) Trade payables	26		
Total outstanding dues of micro enterprises and small enterprises		884.98	631.27
Total outstanding dues of creditors other than micro enterprises and small enterprises		17,433.72	20,376.87
(iv) Other financial liabilities	27	5,252.86	11,618.51
(b) Other current liabilities	28	5,265.37	5,662.50
(c) Provisions	29	1,609.28	1,482.60
(d) Current tax liabilities (net)		209.54	326.07
		55,212.77	**50,576.11**
TOTAL EQUITY AND LIABILITIES		**3,31,877.43**	**3,12,571.40**
Significant accounting policies & notes	**1- 62**		

Notes to Accounts form an integral part of consolidated financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody
Partner
Membership No.: 103286

Sandip Ghume
Deputy Chief
Financial Officer

Pradeep Bhandari
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

Place: Mumbai
Date: 27th May, 2022

Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	Revenue from operations	30	1,26,983.22	1,23,513.53
II	Other income	31	4,750.94	5,018.76
III	**Total Income (I+II)**		**1,31,734.16**	**1,28,532.29**
IV	**EXPENSES**			
	Cost of materials consumed	32	45,601.35	46,698.72
	Purchases of Stock-in-Trade		134.90	53.52
	Changes in inventories of finished goods and work-in-progress	32	(4,153.41)	(8,814.04)
	Employee benefits expense	33	33,048.96	30,697.06
	Finance costs	34	610.53	511.86
	Impairment loss on financial assets	35	723.89	-
	Depreciation and amortization expense	3,4	9,116.61	8,435.63
	Other expenses	36	44,348.34	45,767.35
	Total expenses (IV)		**1,29,431.17**	**1,23,350.10**
V	**Profit / (Loss) before share of Profit / (Loss) in associate (III - IV)**		**2,302.99**	**5,182.19**
VI	Share of profit / (loss) in associate (net of tax)		(106.10)	(34.25)
VII	**Profit / (Loss) before tax (V+VI)**		**2,196.89**	**5,147.94**
VIII	Tax expense:			
	(1) Current tax	23	1,050.83	1,668.26
	(2) Deferred tax charge / (credit)	9,23	(2,183.81)	(14.82)
	(3) Short / (Excess) provision for tax (earlier years)	23	23.70	62.02
			(1,109.28)	**1,715.46**
IX	**Profit / (Loss) for the year (VII-VIII)**		**3,306.17**	**3,432.48**
X	Other Comprehensive Income	37		
	A (i) Items that will not be reclassified subsequently to profit or loss			
	- Re-measurement of the net defined benefit plan		(323.91)	(97.68)
	- Equity instruments through other comprehensive income		7,646.40	2,504.10
	(ii) Income tax (expense) / credit relating to items that will not be reclassified to profit or loss			
	- Re-measurement of the net defined benefit plan		(24.58)	24.58
	- Equity instruments through other comprehensive income (net)		(1,760.71)	(300.51)
	B (i) Items that will be reclassified to profit or loss			
	- Foreign currency translation difference		(162.15)	(491.02)
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Other Comprehensive Income		**5,375.05**	**1,639.47**
XI	**Total of Comprehensive Income for the year (IX+X)**		**8,681.22**	**5,071.95**
XII	**Earnings per equity share (face value of ₹ 2 each)**	**46**		
	(1) Basic		4.70	4.88
	(2) Diluted		4.68	4.88
	Significant accounting policies & notes	**1 - 62**		

Notes to Accounts form an integral part of consolidated financial statements

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 27th May, 2022

Sandip Ghume
Deputy Chief
Financial Officer

Pradeep Bhandari
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

CIN: L99999MH1962PLC012451

A. Equity Share Capital

Particulars	2021-2022		2020-2021	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Shares outstanding as at the beginning of the year	**7,04,05,750**	**1,408.12**	**7,04,05,750**	**1,408.12**
Add: Shares allotted under ESOP during the year	-	-	-	-
Shares outstanding as at the end of the year	**7,04,05,750**	**1,408.12**	**7,04,05,750**	**1,408.12**

B. Other Equity

(₹ in Lakhs)

Particulars	Employee stock options outstanding account	Reserves and Surplus			Other Comprehensive Income (OCI)			Total
		Securities Premium	Capital Redemption Reserve	Retained Earnings	Remeasurements of defined benefit plans	Equity instrument through OCI	Exchange differences on translating the financial statements of a foreign operation	
Balance at 31st March, 2020	**482.60**	**133.02**	**1,246.00**	**2,49,501.92**	**(465.13)**	**444.10**	**384.54**	**2,51,727.05**
Profit / (loss) for the year	-	-	-	3,432.48	-	-	-	3,432.48
Other comprehensive income for the year	-	-	-	-	(73.10)	2,203.59	(491.03)	1,639.46
Payment of dividends	-	-	-	(2,816.23)	-	-	-	(2,816.23)
Recognition of share-based payments (ESOP) (net)	292.60	-	-	-	-	-	-	292.60
Balance at 31st March, 2021	**775.20**	**133.02**	**1,246.00**	**2,50,118.17**	**(538.23)**	**2,647.69**	**(106.49)**	**2,54,275.36**
Profit / (loss) for the year	-	-	-	3,306.17	-	-	-	3,306.17
Other comprehensive income for the year	-	-	-	-	(348.49)	5,885.69	(162.13)	5,375.07
Payment of dividend	-	-	-	(2,816.23)	-	-	-	(2,816.23)
Recognition of share-based payments (ESOP) (net)	292.61	-	-	-	-	-	-	292.61
Balance at 31st March, 2022	**1,067.81**	**133.02**	**1,246.00**	**2,50,608.11**	**(886.72)**	**8,533.38**	**(268.62)**	**2,60,432.98**

Significant accounting policies & notes **1- 62**
Notes to Accounts form an integral part of consolidated financial statements

Employee stock option outstanding account
The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

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 Indian Companies Act, 2013.

Capital Redemption Reserve
The Holding Company had recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back. This reserve will be utilised in accordance with the Section 69 of the Indian Companies Act, 2013. It also includes capital redemption reserve of a subsidiary.

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) 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.
c) Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in separate reserve within equity. The cumulative amount is reclassified to profit or loss when the investment is disposed-off.

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 27th May, 2022

Sandip Ghume
Deputy Chief
Financial Officer

Pradeep Bhandari
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

Consolidated Statement of Cash Flows for the year ended 31st March, 2022

CIN: L99999MH1962PLC012451

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
A. Cash Flow from Operating Activities				
Net Profit / (Loss) before tax		**2,196.89**		**5,147.94**
Adjustments:				
Depreciation / amortisation (including investment property)	9,122.92		8,441.94	
Loss / (profit) on sale / discard of property, plant and equipment (net)	23.43		52.26	
Unrealised exchange difference (net)	(722.22)		761.13	
Rent income	(30.84)		(46.22)	
Share of (profit) / loss from associate	106.10		34.25	
Finance cost	610.53		511.86	
Provision for doubtful debts, loans, advances & deposits (net)	(22.06)		27.00	
Share-based payments to employees	284.84		282.64	
Fair value gain on investments (net)	(312.19)		(1,164.20)	
Interest income	(647.77)		(2,293.95)	
Sundry credit balances written back	(89.01)		(41.56)	
Impairment loss on financial assets				
- investments in equity instruments of associates	487.13		-	
- inter corporate deposits & interest thereon	236.76		-	
Dividend income	(1,001.35)		(0.36)	
		8,046.27		6,564.79
		10,243.16		11,712.73
Working Capital Adjustments:				
Trade receivables & other assets	(27,709.88)		9,508.19	
Inventories	(6,188.17)		(14,179.88)	
Trade payable & other liabilities	(1,544.80)		(2,306.48)	
		(35,442.85)		(6,978.17)
Cash Generated from / (used in) Operations		(25,199.69)		4,734.56
Direct taxes refund received / (payment made)		(761.51)		(1,436.32)
Net Cash Flow from / (used in) Operating Activities A		**(25,961.20)**		**3,298.24**
B. Cash Flow from Investing Activities				
Purchase of property, plant & equipment including Capital WIP		(12,700.24)		(28,781.44)
Proceeds from sale of property, plant and equipment		16.41		42.22
Sale / (purchase) of current investment (net)		20,180.90		18,661.31
Rent received		30.84		46.22
(Increase) / decrease in escrow bank accounts		8.19		(269.57)
Interest received		1,474.48		2,945.14
Dividend received		1,001.35		0.36
Net Cash Flow from / (used in) Investing Activities B		**10,011.93**		**(7,355.76)**
C. Cash Flow from Financing Activities				
Increase / (decrease) in working capital borrowings (net)		11,484.69		(8,329.23)
Receipt of term loan from Bank		12,418.96		-
Repayments of long term borrowings		(951.58)		-
Payments of Lease liabilities		(484.88)		(478.74)
Finance cost paid		(508.22)		(433.72)
Dividend paid		(2,836.15)		(2,865.79)
Net Cash Flow from / (used in) Financing Activities C		**19,122.82**		**(12,107.48)**
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)		**3,173.55**		**(16,165.00)**
Add: Current Investments reclassified as cash and cash equivalents during the year		-		759.24
Net (Decrease) / Increase in Cash and Cash Equivalents		**3,173.55**		**(15,405.76)**
Cash and Cash Equivalents at the beginning of the year		**7,746.08**		**23,151.84**
Cash and Cash Equivalents at the end of the year		**10,919.63**		**7,746.08**
Significant accounting policies & notes 1- 62				

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

(₹ in Lakhs)

Particulars	1st April, 2021	Cash inflows / (outflows)	Non cash changes	31st March, 2022
Borrowings - non cash changes arising out of exchange rate fluctuations	10,062.50	22,952.07	21.67	33,036.24
Lease liabilities - non cash changes arising out of unwinding & additions of liabilities	1,846.81	(484.88)	517.03	1,878.96

Particulars	1st April, 2020	Cash inflows / (outflows)	Non cash changes	31st March, 2021
Short-term borrowings (packing credit) - non cash changes arising out of exchange rate fluctuations	18,403.36	(8,329.23)	(11.63)	10,062.50
Lease liabilities - non cash changes arising out of unwinding of liabilities	2,247.41	(478.74)	78.14	1,846.81

Notes to Accounts form an integral part of consolidated financial statements

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody
Partner
Membership No.: 103286

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Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

Place: Mumbai
Date: 27th May, 2022

1. Group information

The consolidated financial statements comprise the financial statements of Unichem Laboratories Limited ("the Holding Company") and the following wholly owned subsidiaries and associate (together referred to as "the Group"):

Name of Entity	Country of Incorporation*	Principal Activities
Subsidiaries (having 100% of ownership interest)		
Niche Generics Limited	United Kingdom	Pharmaceuticals
Unichem SA Pty Ltd.	South Africa	Pharmaceuticals
Unichem Pharmaceuticals (USA) Inc.	United States of America	Pharmaceuticals
Unichem Farmaceutica Do Brasil Ltda	Brazil	Pharmaceuticals
Unichem Laboratories Limited	Ireland	Pharmaceuticals
Unichem China Pvt. Ltd. - (incorporated w.e.f. 27th June 2019)	China	Pharmaceuticals
Associate		
Synchron Research Services Pvt. Ltd.	India	Technical Testing and Analysis Services
(Proportion of equity holding – 32.11%)		

* Principal place of business is same as country of incorporation.

Equity Investment in 'Synchron Research Services Pvt. Ltd.' is accounted as per Ind AS 28 - Investments in Associates and Joint Ventures, although the Holding Company does not exercise any significant influence over the operations of investee.

The consolidated financial statements of the Group for the year ended 31st March, 2022 were approved and adopted by the Board of Directors in their meeting dated 27th May, 2022.

2. Significant accounting policies

2.1. Statement of compliance

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

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

2.2. Basis of preparation and presentation

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

i. Certain financial assets and liabilities (including derivative instruments);

ii. Defined benefit plans – plan assets;

iii. Equity settled share based payments;

iv. Assets held for sale

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

2.3. Basis of Consolidation

i) The Holding Company consolidates all entities which it controls. Control is established when the Holding Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

ii) The Holding Company reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company.

iii) Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Holding Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

iv) Where the cost of the investment is higher than the share of equity in the subsidiary at the time of acquisition, the resulting difference is treated as goodwill. Where the cost of the equity is lower than the share of equity in the subsidiary, the difference is treated as capital reserve.

v) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

vi) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment are eliminated in full. Tax impact is given for the intra-group eliminations wherever applicable.

vii) In case of subsidiaries, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve in 'Other Equity'.

viii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

ix) Investment in associates where the Holding Company holds more than 20% of equity and/or having significant influence are accounted for using equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.

x) The Holding Company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Holding Company and its associates to the extent of its share, to the extent such change is attributable to the associate's statement of profit and loss.

xi) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2.4. Current and non-current classification

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

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

2.5. Functional currency and presentation of currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Holding Company operates ('the functional currency'). The financial statements are presented in Indian Rupee, which is the Holding Company's functional and presentation currency. All amounts are rounded off to the nearest rupees in lakhs. The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.

2.6. Use of significant accounting estimates, judgements and assumptions

The preparation of the financial statements requires the management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported balances of assets and liabilities, disclosure of contingent liabilities and assets as on the date of financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below:

i) Estimation of useful life of property, plant and equipment (refer note no. 2.9 and 3)

ii) Estimation of useful life of intangible assets (refer note no. 2.11 and 3)

iii) Impairment of goodwill (refer note no. 2.12 and 3)

iv) Impairment of property, plant and equipment and Capital work-in-progress (refer note no. 2.14 and 3)

v) Estimation of provisions and contingent liabilities (refer note no. 2.19, 29, 38 and 39)

vi) Estimation of defined benefit plan and other long-term benefits (refer note no. 2.20, 22, 29 and 49)

vii) Fair value measurement and impairment of financial instruments (refer note no. 2.30 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.

Rental income on investment property given under operating lease arrangement is recognised on straight-line basis over the lease term in accordance with terms of agreement. Rental income is recorded net of indirect tax and expenses which are directly attributable to investment property.

2.8. Taxes

Income tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years that may become necessary due to certain developments or reviews during the relevant period. In respect of amounts adjusted outside the statement of profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted in other comprehensive income or in equity and not in the statement of profit or loss.

Current tax

Provision for current tax is made as per the provisions of governing tax laws. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Group has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

Deferred tax liabilities arising out of temporary differences associated with investment in subsidiaries and associates, are not recognised when the Holding Company can control the timing of the reversal of temporary difference and it is probable that the temporary difference will not reverse in foreseeable future.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

For units which enjoy tax holiday benefit, deferred tax assets and liabilities have been provided for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

2.9. Property, plant and equipment (Tangible Assets) and depreciation

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all property, plant and equipment are measured using cost model.

Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset.

Cost for subsequent additions comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditures are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Group identifies and determines cost of each component / part of the plant and equipment separately, if the component / part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Pre-operation expenses and trial runs (net of revenue) and borrowing cost directly attributable to the cost of construction of the qualifying asset are treated as part of the project cost and are capitalized / allocated to the cost of asset in the year in which the project is completed. Administrative and other expenses which are not directly related to construction are charged to the consolidated statement of profit and loss.

Gains or losses arising from de-recognition of tangible property, plant and equipment are recognised in the consolidated statement of profit and loss.

Depreciation is provided on all assets (other than free hold land and capital work-in-progress), on pro-rata basis, using the following methods based on the respective estimate of useful lives as given below.

a) Straight-Line Method on buildings, plant and machinery, computers and servers

b) Written-Down Value Method for others

The management believes that useful lives currently used is as prescribed under Part C of Schedule II to the Indian Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Estimated useful lives of property, plant and equipment are as follows:

Nature of assets	Useful life
Factory buildings on leasehold land	Lower of 30 years or balance lease period
Buildings on freehold land	30 to 60 years
Roads	3 to 10 years
Plant and equipments [other than below]	10 to 15 years
Plant and equipments [continuous processing assets and other special equipment's related to Pharma industry]	20 to 25 years
Furniture and fixture	5 to 10 years
Vehicles	8 years
Office equipments	3 to 5 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under ''Other non-current assets''. Cost of assets under construction / acquisition / not put to use at the Balance Sheet date are disclosed under ''Capital work-in-progress''.

2.10. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both and that is not occupied by the Group, is classified as investment property. Investment properties are measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any. Depreciation on building held as Investment Property is provided over its useful life (of 60 years) using the straight-line method.

2.11. Investment in Associates

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control over those policies.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interest in the associate that are not related to the Group.

The results, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, under which an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds its interest in that associate, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued.

2.12. Intangible Assets and amortization

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Intangible assets comprise licence submission fees which are amortised over their estimated useful economic life (expected to be about 5 years) from commencement of marketing. The estimated useful life of intangible assets is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

Other standalone software / license costs are fully charged off to statement of profit and loss in the year of expenditure. These softwares / licenses are for administrative purposes.

2.13. Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over the underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Group's Cash-Generating Units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.14. Non-Current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Non-current assets and liabilities classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

2.15. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an asset or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

2.16. Research and development expenditure

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are also charged to the statement of profit and loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized.

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, plant and equipment and depreciation.

2.17. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognised as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transaction. Foreign currency non-monetary items which are measured at fair value are reported using the exchange rate at the date when the fair value is determined. Exchange difference arising on fair valuation of non-monetary items is recognised in line with the gain or loss of item that give rise to such exchange difference (i.e. translation differences on items whose gain or loss is recognised in statement of profit and loss or other comprehensive income is also recognised in the statement of profit and loss or other comprehensive income respectively).

2.18. Leases

The Group has applied Ind AS 116 - "Leases" from 1st April, 2019 using the modified retrospective approach.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprise of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right of use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right of use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right of use asset unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right of use asset reflects that the Group will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

2.19. Inventories

Inventories consists of raw materials, packing materials, stores and spares, stock-in-trade, work-in-progress and finished goods. Inventories of raw materials, packing material, stores and spares are valued at cost and other inventories are valued at lower of cost and net realisable value after providing for obsolete / slow moving items. Cost is determined on weighted average basis.

Cost includes cost of purchase, non-refundable taxes and other costs / overheads incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

2.20. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

2.21. Employee benefits

i) Short-term employee benefit

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.

ii) Post-employment benefits

a. Defined contribution plan

The Group contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution.

Certain employees of the Holding Company are participants in Superannuation plan. The Holding Company has no further obligations to the Superannuation plan beyond its monthly contributions which are periodically contributed to "Unichem Laboratories Limited Employees Superannuation Fund Trust", the corpus of which is invested with the Life Insurance Corporation of India.

The Group's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Holding Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Holding Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. The Holding Company fully contributes all ascertained liabilities to "Unichem Laboratories Limited Employees Gratuity Fund Trust", the corpus of which is invested with the Life Insurance Corporation of India.

The current service cost and interest on the net defined benefit liability / (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income and are not reclassified to statement of profit and loss in subsequent periods. Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

iii) Other long-term benefits

The Holding Company has other long-term benefits in the form of leave benefits. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method carried out by independent actuary. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit and loss as income or expense. Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

In case of a subsidiary (Niche Generics Limited), employees who have completed specified years of service are eligible for a death benefit plan wherein a defined amount would be paid to the survivors of the employee in the event of their death while in service with the subsidiary. To fulfil the subsidiary's obligation for the above mentioned plan, the subsidiary has taken term policy from an insurance company. The annual premium for insurance cover is recognised in the profit and loss account.

2.22. Equity settled share-based payments

Equity-settled share based payments to employees are measured at the fair value (i.e. excess of fair value over the exercise price of the option) of the Employee Stock Options Plan at the grant date. The fair value of option at the grant date is calculated by Black-Scholes model. In case the options are granted to employees of the Holding Company and Subsidiary Company, the fair value determined at the grant date is expensed on a straight line basis over the vesting period, based on the Holding Company's estimate of options that will eventually vest, with a corresponding increase in equity.

The dilutive effect of outstanding options is reflected in determining the diluted earnings per share.

2.23. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Operating Segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

2.24. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

2.25. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Holding company will comply with its conditions.

Government grants relating to income are recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate. In case of Exports Promotion Capital Goods (EPCG) scheme, government grants is recognised in the statement of profit and loss over the period of fulfilment of export obligation.

Government grants relating to the assets are credited in the statement of profit and loss over the expected useful life of the assets.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the fair value of the loan and the proceeds received.

2.26. Dividend distribution

Final equity dividends on shares are recorded as a liability on the date of approval by the shareholders and interim equity dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors.

2.27. Share Capital

Ordinary shares are classified as equity. Transaction cost related to buy-back of equity shares is reduced from the retained earnings / reserves, net of tax effects.

2.28. Earnings per equity share

The Basic earnings per equity share is computed by dividing the net profit after tax for the year attributable to the equity shareholders of the Holding Company by weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share are computed by dividing the net profit attributable to equity holders of the Holding Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, share split, etc.

2.29. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term deposits, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Group's cash management.

2.30. Cash flow statement

Cash Flows are reported using Indirect Method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.31. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. 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.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Holding Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Holding Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.32. New Ind AS & amendments to existing Ind AS issued but not effective as at 31st March, 2022

Ministry of Corporate Affairs has notified new standards or amendments to the existing standards which would be effective from 1st April, 2022.

Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

3 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Particulars	Property, Plant & Equipment									Other Intangible Assets			
	Freehold land	Leasehold land	Buildings *	Plant & equipment	Furniture & fixture	Vehicles	Office equipment	Total	Goodwill	Software licenses	Product licenses	Total intangible assets	Capital work-in -progress
Gross carrying value, at cost													
As at 31st March, 2020	567.78	-	32,591.35	68,414.16	1,356.55	263.30	781.75	1,03,974.89	154.51	124.54	641.84	920.89	33,046.97
Additions	-	-	1,460.27	7,624.55	60.49	311.44	166.68	9,623.43	-	291.32	-	291.32	33,147.00
Disposal / held for sale & Exchange gain / loss	-	-	(118.74)	360.66	93.20	98.59	1.75	435.46	-	-	(27.50)	(27.50)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	-	9,444.35
Reclassified on account of adoption of Ind AS 116 (refer note 4)	189.77	-	-	-	-	-	-	189.77	-	-	-	-	-
As at 31st March, 2021	**378.01**	**-**	**34,170.36**	**75,678.05**	**1,323.84**	**476.15**	**946.68**	**1,12,973.09**	**154.51**	**415.86**	**669.37**	**1,239.74**	**56,749.62**
Additions	-	-	4,562.60	12,841.90	182.88	7.47	162.88	17,757.73	-	12.42	-	12.42	12,495.00
Disposal & Exchange gain / loss	-	-	9.38	346.98	16.78	-	23.24	396.38	-	-	13.00	13.00	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	-	19,863.20
As at 31st March, 2022	**378.01**	**-**	**38,723.58**	**88,172.97**	**1,489.94**	**483.62**	**1,086.32**	**1,30,334.44**	**154.51**	**428.28**	**656.37**	**1,239.16**	**49,381.42**
Accumulated Depreciation / Amortisation / Impairment													
As at 31st March, 2020	-	-	4,625.91	16,824.57	427.07	95.14	482.42	22,455.11	-	124.54	641.84	766.38	-
Charge for the year - Depreciation & amortization	-	-	1,438.61	5,715.47	227.14	87.42	183.38	7,652.02	-	291.32	-	291.32	-
Disposal / held for sale & Exchange gain / loss	-	-	(51.76)	301.15	82.05	81.03	2.98	415.45	-	-	(27.53)	(27.53)	-
As at 31st March, 2021	**-**	**-**	**6,116.28**	**22,238.89**	**572.16**	**101.53**	**662.82**	**29,691.68**	**-**	**415.86**	**669.37**	**1,085.23**	**-**
Charge for the year - Depreciation & amortization	-	-	1,522.88	6,550.54	195.14	118.59	167.09	8,554.24	-	12.42	-	12.42	-
Disposal & Exchange gain / loss	-	-	13.22	325.30	8.61	0.01	13.23	360.37	-	-	13.00	13.00	-
As at 31st March, 2022	**-**	**-**	**7,625.94**	**28,464.13**	**758.69**	**220.11**	**816.68**	**37,885.55**	**-**	**428.28**	**656.37**	**1,084.65**	**-**
Net book value													
As at 31st March, 2022	**378.01**	**-**	**31,097.64**	**59,708.84**	**731.25**	**263.51**	**269.64**	**92,448.89**	**154.51**	**-**	**-**	**154.51**	**49,381.42**
As at 31st March, 2021	378.01	-	28,054.08	53,439.16	751.68	374.62	283.86	83,281.41	154.51	-	-	154.51	56,749.62

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

Notes :

1. Building includes cost of shares in co-operative societies ₹ 0.56 lakhs (P.Y. ₹ 0.56 lakhs).
2. Capital work-in-progress includes ₹ 10,683.47 lakhs (P.Y. ₹ 17,617.87 lakhs) on account of cost of construction.
3. The amount of capital commitment disclosed in note 40(a).
4. Certain property, plant and equipment were hypothecated / mortgaged as security for borrowing as disclosed under note 41.
5. 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:

   a) Projected cash flows

   b) Long-term growth rate depending on macro-economic growth factors.

   c) Discount rate reflecting current market assessment of the risks specific to the CGU.
6. Addition to property, plant and equipment and CWIP includes ₹ 621.61 lakhs (P.Y. ₹ 238.02 lakhs) being expenditure on Research and Development as under:

(₹ in Lakhs)

Assets Description	2021-2022	2020-2021
Plant & Machinery	120.22	126.05
Furniture & Fixtures	-	5.09
Office Equipment	3.52	43.49
Capital Work in Progress	497.87	63.39
Total	**621.61**	**238.02**

7. Ageing of Capital work-in-progress:

   CWIP ageing schedule as at 31st March, 2022

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11,232.70	23,701.63	13,827.27	619.82	49,381.42
Projects temporarily suspended	-	-	-	-	-

Closing CWIP mainly includes new manufacturing facility at Goa which is expected to capitalize in next year. Due to Covid-19 pandemic the completion timelines of the projects were extended.

CWIP ageing schedule as at 31st March, 2021

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	33,015.66	20,872.39	2,861.57	-	56,749.62
Projects temporarily suspended	-	-	-	-	-

8. Depreciation charged to P&L account:

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Property, Plant and Equipments	8,566.66	7,943.34
Right of use assets	549.95	492.29
Total	**9,116.61**	**8,435.63**

9. Borrowing cost :
   (a) In accordance with Ind AS 23, the borrowing cost of ₹ 294.88 Lakhs (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 6.75% (P.Y.: Nil %).

4 RIGHT-OF-USE ASSETS

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

(₹ in Lakhs)

Particulars	Category of ROU assets					
	2021-2022			2020-2021		
	Leasehold Land	Buildings	Total	Leasehold Land	Buildings	Total
Opening Balance	**2,985.61**	**1,620.74**	**4,606.35**	**2,878.61**	**2,052.78**	**4,931.39**
Reclassification as per Ind AS 116 (refer note 3)	-	-	**-**	189.77	-	**189.77**
Additions	2,390.25	-	**2,390.25**	20.01	1.93	**21.94**
Deletions	-	(2.18)	**(2.18)**	-	-	**-**
Depreciation	(109.51)	(440.44)	**(549.95)**	(58.32)	(433.97)	**(492.29)**
Depreciation charged to CWIP	(44.46)	-	**(44.46)**	(44.46)	-	**(44.46)**
Closing Balance	**5,221.89**	**1,178.12**	**6,400.01**	**2,985.61**	**1,620.74**	**4,606.35**

Refer note - 48

The Group holds leasehold land and building against which there is annual payment over the lease period which is in range of 24-75 years and 6-10 years respectively which is non-cancellable. The terms and conditions includes extension of the lease period subject to fulfilment of the conditions as per lease agreements.

5 INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Gross Carrying amount		
Opening gross carrying amount	398.81	398.81
Additions	-	-
Less: Transfer to assets held for sale (refer note no 5 ii)	(398.81)	-
Closing gross carrying amount	**-**	**398.81**
Accumulated depreciation		
Opening accumulated depreciation	45.52	39.21
Depreciation charge (netted off from rent income)	6.31	6.31
Less: Transfer to assets held for sale (refer note no 5 ii)	(51.83)	-
Closing accumulated depreciation	**-**	**45.52**
Net carrying amount	**-**	**353.29**

i) Amounts recognised in statement of profit or loss for investment property

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Rental Income	30.74	46.12
Depreciation	6.31	6.31
Net income from investment property	**24.43**	**39.81**

ii) Operating lease period was discontinued during the year. The Investment Property was subsequently classified as held for sale and valued at the lower of its carrying amount and fair value less cost to sell. These assets are expected to be disposed off in the next 12 months. The fair value of the property is not readily available however based on the management and market assessment, the fair value would be higher than the carrying value of the assets.

6 INVESTMENTS (NON-CURRENT)

6.1 Investments accounted for using the equity method

(₹ in Lakhs)

Particulars	No. of Shares		Face value	As at 31st March, 2022	As at 31st March, 2021
	As at 31st March, 2022	As at 31st March, 2021			
(I) At Cost :					
UNQUOTED					
Equity Instruments of Associates (Fully Paid)					
Synchron Research Services Private Limited	2,08,333	2,08,333	₹10	593.23	569.31
Add: Share in Profit / (Loss) after tax				(106.10)	23.92
Less: Impairment in value of investments (refer note 6.3)				(487.13)	-
Total of Investments measured at cost				**-**	**593.23**

6.2 Investments - Non current

(₹ in Lakhs)

Particulars	No. of Shares As at 31st March, 2022	No. of Shares As at 31st March, 2021	Face value	As at 31st March, 2022	As at 31st March, 2021
(I) At fair value through profit and loss (FVTPL)					
UNQUOTED					
Equity Instruments (fully paid)					
Mediklin Healthcare Limited	-	2,02,500	₹ 10	-	-
Shivalik Solid Waste Management Limited	20,000	20,000	₹ 10	2.00	2.00
Sub Total				**2.00**	**2.00**
QUOTED					
Equity Instruments (fully paid)					
Jindal Polyfilm Limited	2,000	2,000	₹ 10	22.23	14.81
Jindal Poly Investment and Finance Company Ltd.	500	500	₹ 10	1.44	0.07
Aurobindo Pharma Ltd.	8	8	₹ 1	0.05	0.15
Universus Photo Imagings Ltd.	500	-	₹ 10	2.75	-
Kothari Industrial Corporation Ltd.	20	20	₹ 5	-	-
Sub Total				**26.47**	**15.03**
Total of Investments measured at FVTPL				**28.47**	**17.03**
(II) At fair value through Other comprehensive Income (FVTOCI)					
UNQUOTED					
Equity Instruments (fully paid)					
Optimus Drugs Private Limited (refer note 12.1 & 12.2)	-	17,04,034	₹ 10	-	7,957.84
Optrix Laboratories Private Limited (refer note 12.1 & 12.2)	-	21,98,423	₹ 10	-	6,990.99
Total of Investments measured at FVTOCI				**-**	**14,948.83**
Total				**28.47**	**14,965.86**
Aggregate book value of unquoted investments				2.00	15,544.06
Aggregate amount of impairment in value of investments				(487.13)	-
Aggregate book value of quoted investments				26.47	15.03
Aggregate market value of quoted investments				26.47	15.03

6.3 Impairment loss on financial assets for the year ended 31st March, 2022 includes ₹ 487.13 lakhs of provision towards impairment of equity investment in 'Synchron Research Services Private Limited' (associate company).

7 LOANS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Loans to Employees	11.60	7.28
Total	**11.60**	**7.28**

8 OTHER FINANCIAL ASSETS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Inter Corporate Deposits	300.00	500.00
(Net of provision for Impairment loss of ₹ 700 Lakhs, P.Y. ₹ 500 Lakhs)		
Deposits		
Considered Good	513.06	526.33
Considered Doubtful	53.53	78.52
Less : Allowance for Doubtful deposits	(53.53)	(78.52)
	513.06	**526.33**
Total	**813.06**	**1,026.33**

9 DEFERRED TAX ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax assets (net)	435.51	1,395.36
Total	**435.51**	**1,395.36**

9.1 **The deferred tax asset comprises of:**

Particulars	As at 31st March, 2022	Charge/(credit) for the year	As at 31st March, 2021
Deferred Tax Assets			
Unrealised profits (net) on account of Intra-group eliminations	-	1,094.30	1,094.30
Capitalized development stage costs	70.44	28.69	99.13
Exchange difference for the year	-	-	-
Depreciation / Amortization	(59.83)	4.02	(55.81)
Others	424.90	(167.16)	257.74
Total	**435.51**	**959.85**	**1,395.36**

Particulars	As at 31st March, 2021	Charge/(credit) for the year	As at 31st March, 2020
Deferred Tax Assets			
Unrealised profits (net) on account of Intra-group eliminations	1,094.30	(1,094.30)	-
Capitalized development stage costs	99.13	43.22	142.35
Exchange difference for the year	-	(7.51)	-
Depreciation / Amortization	(55.81)	(7.46)	(63.27)
Others	257.74	(43.07)	214.67
Total	**1,395.36**	**(1,109.12)**	**293.75**

9.2 In case of certain subsidiaries, deferred tax asset has not been recognised on unused tax losses of ₹ 18,034.56 (P.Y. ₹ 17,081.00 lakhs) in the absence of probable future taxable income. This loss can be carried forward as per the timeline prescribed in jurisdiction of the subsidiaries.

9.3 In respect of the Company, deferred tax assets is recognised on the amount of tax loss, unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability. Further, deferred tax assets is not recognised on the amount unused tax losses of ₹ 8,585.25 lakhs (P.Y. Nil) In respect of a subsidiary, deferred tax assets (net) are recognised as per applicable tax laws.

10 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital advances	2,042.23	9,082.56
(Net of provision for Doubtful advances ₹ 11.86 lakhs P.Y. ₹ 11.86 Lakhs)		
Payments to European Commission (refer note 39)	1,630.16	1,451.52
Balance with government authorities (including refund receivable)	13,069.60	120.33
Advance income tax (net of provision)	622.54	1,052.09
Total	**17,364.53**	**11,706.50**

11 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials	24,083.81	22,243.80
[Include ₹ 727.47 Lakhs in transit, (P.Y. ₹ 944.15 Lakhs)]		
Packing Materials	2,211.49	2,371.96
[Include ₹ 1.65 Lakhs in transit, (P.Y. ₹ Nil)]		
Work-in-Progress	10,214.94	7,746.22
Finished Goods	22,259.43	20,574.74
[Include ₹ 89.63 Lakhs in transit, (P.Y. ₹ 552.64 Lakhs)]		
Stores and Spares	1,252.48	897.26
Total	**60,022.15**	**53,833.98**

Note : -

1) During the year ended 31st March 2022, ₹ 1,546.50 Lakhs (P.Y. ₹ 1,431.00 Lakhs) was recognised as an expenses for inventories carried at net realisable value.
2) Refer note 2.19 for accounting policy for inventory valuation.

12 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	No. of Units		Amount	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
At fair value through profit and loss (FVTPL)				
QUOTED				
INVESTMENT IN MUTUAL FUNDS				
SBI Liquid Fund Direct Growth	1,12,892	1,12,892	3,762.79	3,636.95
			3,762.79	**3,636.95**
INVESTMENT IN PERPETUAL BOND				
HDFC Bank Limited Sr-1 8.85 BD	-	329	-	3,362.52
Axis Bank Limited Sr-26 8.75 NCD	-	650	-	6,558.05
State Bank of India Sr-III 8.39 BD	-	1,000	-	10,085.40
			-	**20,005.97**
At fair value through Other Comprehensive Income (FVTOCI)				
UNQUOTED				
Equity Instruments (fully paid)				
Optimus Drugs Private Limited (refer note 12.1 & 12.2)	39,02,457	-	22,595.23	-
Total of Investments measured at FVTOCI			**22,595.23**	**-**
Total			**26,358.02**	**23,642.92**
Aggregate book value of quoted investments			26,358.02	23,642.92
Aggregate market value of quoted investments			26,358.02	23,642.92

Investments in mutual funds are pledged with Citibank N.A. Refer note 41.

12.1 Optrix Laboratories Private Limited has merged with Optimus Drugs Private Limited on receiving approval for the Scheme of Amalgamation by Hon'ble National Company Law Tribunal (NCLT) on 22nd September, 2021. Hence, number of equity shares held by the Holding Company in 'Optrix Laboratories Private Limited' have been merged with equity holding in 'Optimus Drugs Private Limited'.

12.2 Subsequent to the financial year ended 31st March, 2022, the Holding Company has entered into binding Share Purchase Agreement ('SPA') dated 10th May, 2022 with Sekhmet Pharmaventures Private Limited ('Purchaser') and Optimus Drugs Private Limited ('Optimus') to sell its entire shareholding in Optimus to the Purchaser ('Transaction'). As per the SPA, the Holding Company will sell 19.97% equity shares on a fully diluted basis in the first tranche and remaining 0.02% equity shares in the second tranche. For the first tranche, total consideration is ₹ 27,098.99 lakhs and for the second tranche for a price to be determined as per the said SPA after satisfaction of necessary conditions precedent. Fair value gain of ₹ 7,646.40 lakhs is recognised in Other Comprehensive Income in the current quarter and year ended 31st March, 2022 based on independent valuation report and carrying value of such investment as at balance sheet date is ₹ 22,595.23 lakhs. The additional fair value gain will be recognised in the subsequent period as per SPA. The Transaction is expected to complete in the subsequent period after satisfaction of necessary condition precedents as mutually agreed between the parties under the SPA.

Based on above, the carrying value of the investments as at 31st March, 2022 is grouped under current investments which was earlier grouped under non-current investments as on 31st March, 2021.

13 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Considered good - Secured	-	-
Unsecured		
Considered good	49,543.31	25,026.95
Considered Doubtful	319.83	492.16
Less : Allowance for Doubtful debts	(319.83)	(492.16)
Total	**49,543.31**	**25,026.95**

The movement in allowance for doubtful receivables is as follows :

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Opening balance	**492.16**	**364.01**
Add : Allowance for doubtful receivables made during the year	-	128.15
Less : Allowance for doubtful receivables reversed/utilised during the year	(172.33)	-
Closing balance	**319.83**	**492.16**

13.1 **Trade receivables ageing schedule - Current:**

As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	47,765.10	1,870.89	38.47	42.33	2.56	77.81	**49,797.16**
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered doubtful	-	-	-	-	-	65.98	**65.98**
Sub total	**47,765.10**	**1,870.89**	**38.47**	**42.33**	**2.56**	**143.79**	**49,863.14**
Less: Allowance for Doubtful debts							**(319.83)**
Total							**49,543.31**

As at 31st March, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	21,888.14	3,077.29	136.14	2.44	2.88	346.24	**25,453.13**
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered doubtful	-	-	-	-	-	65.98	**65.98**
Sub total	**21,888.14**	**3,077.29**	**136.14**	**2.44**	**2.88**	**412.22**	**25,519.11**
Less: Allowance for Doubtful debts							**(492.16)**
Total							**25,026.95**

14 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	No. of Units		Amount	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
(a) Cash & cash equivalents				
(i) Balances with banks				
In Current Accounts			2,528.62	4,926.43
(ii) Cash on hand			8.30	7.27
(iii) Investments in Mutual Fund (At FVTPL)				
Quoted				
ICICI Prudential Liquid fund - Direct Plan - Growth	12,86,930.93	3,07,665.93	4,057.13	937.57
Aditya Birla Liquid - Direct Plan - Growth	11,84,291.09	4,64,875.52	4,063.60	1,541.21
Immediate liquidity applications -FAF (Brazil)	24,581.92	44,627.26	261.98	333.60
			10,919.63	**7,746.08**
(b) Other bank balances (Restricted bank balances)				
In Unpaid Dividend Account			159.12	179.04
In Fixed Deposits (against Bank Guarantee) having original maturity more than 3 months			331.47	319.74
			490.59	**498.78**
Total			**11,410.22**	**8,244.86**
Aggregate book value of quoted investments			8,382.71	2,812.38
Aggregate market value of quoted investments			8,382.71	2,812.38

15 LOAN-CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Loans to Employees	5.23	4.47
Total	**5.23**	**4.47**

16 OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Accrued Interest on bonds and fixed deposits (Net of provision for Impairment loss, ₹ 97.35 Lakhs, P.Y. ₹ 60.59 Lakhs)	55.07	881.78
Others (Forward contract receivable, etc.)	-	38.04
Total	**55.07**	**919.82**

17 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered Good		
Prepaid Expenses	2,104.76	1,899.78
Balances with Revenue Authorities (Including refund receivables)		
Considered good	12,885.18	19,109.00
Considered Doubtful	69.56	91.38
Less :Provision for Doubtful Advances	(69.56)	(91.38)
Advance against materials & expenses	808.57	1,648.18
Export incentive receivable	1,187.12	2,780.37
Other receivables / advances		
Considered good	112.84	621.33
Considered Doubtful	129.00	47.00
Less :Provision for Doubtful Advances	(129.00)	(47.00)
Total	**17,098.47**	**26,058.66**

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

Particulars	2021-2022	2020-2021
Opening balance (refer note 8,10,16 and 17)	**697.97**	**844.75**
Add : Allowance for doubtful advances made during the year	293.77	-
Less: Reversal / utilisation during the year	-	(146.78)
Closing balance	**991.74**	**697.97**

18 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
AUTHORISED		
17,50,00,000 Equity Shares of ₹ 2/- each (P.Y :17,50,00,000 Equity shares of ₹ 2/- each)	3,500.00	3,500.00
5,00,00,000 Unclassified Shares of ₹ 2/- each (P.Y.: 5,00,00,000 Unclassified Shares of ₹ 2/- each)	1,000.00	1,000.00
50,00,000 Preference Shares of ₹ 10/- each (P.Y. : 50,00,000 Preference Shares of ₹ 10/- each)	500.00	500.00
Total	**5,000.00**	**5,000.00**

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
ISSUED, SUBSCRIBED AND FULLY PAID UP		
7,04,05,750 Equity Shares of ₹ 2/- each fully paid up (P.Y. 7,04,05,750 Equity Shares of ₹ 2/- each fully paid up)	1,408.12	1,408.12
Total	**1,408.12**	**1,408.12**

18.1 Reconcilation of Number of Shares (Equity)

Particulars	2021-2022		2020-2021	
	No. of Shares	Amount (₹ in lakhs)	No. of Shares	Amount (₹ in lakhs)
Shares outstanding as at the beginning of the year	7,04,05,750	1,408.12	7,04,05,750	1,408.12
Add / (Less): Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	**7,04,05,750**	**1,408.12**	**7,04,05,750**	**1,408.12**
Add / (Less): Movements during the year	-	-	-	-
Shares outstanding as at the end of the year	**7,04,05,750**	**1,408.12**	**7,04,05,750**	**1,408.12**

18.2 Rights, preferences and restrictions attached to Equity Shares.

The Holding Company has one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

18.3 Shareholders holding more than 5 per cent of total Equity Shares of the Company.

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% held	No. of Shares	% held
Dr. Prakash Amrut Mody	3,24,99,392	46.16	3,24,99,392	46.16
HDFC Small Cap Fund	51,03,389	7.25	51,03,389	7.25

18.4 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.

18.5 Shareholding of Promoters:

Name of the Shareholders	No. of Shares as on 31st March, 2022	% of total shares as on 31st March, 2022	No. of Shares as on 31st March, 2021	% Change during the year
1. Prakash Amrut Mody	3,24,99,392	46.16%	3,24,99,392	0%
2. Anita Prakash Mody	13,23,400	1.88%	13,23,400	0%
3. Suparna Prakash Mody	9,49,936	1.35%	9,49,936	0%
4. Supriya Prakash Mody	9,49,936	1.35%	9,49,936	0%
5. Prakash Amrut Mody - Suparna Mody Trust (Promoter Trust)	52,016	0.07%	52,016	0%
6. Prakash Amrut Mody - Supriya Mody Trust (Promoter Trust)	45,052	0.06%	45,052	0%
7. Prakash Amrut Mody - Shwetambari Mody Trust (Promoter Trust)	41,283	0.06%	41,283	0%
Total	**3,58,61,015**	**50.93%**	**3,58,61,015**	**0%**

19 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
CAPITAL REDEMPTION RESERVE		
Balance at the beginning of the year	1,246.00	1,246.00
Add : Additions / (deductions) during the year	-	-
Balance at the end of the year	**1,246.00**	**1,246.00**
SECURITIES PREMIUM		
Balance at the beginning of the year	133.02	133.02
Add : Additions / (deductions) during the year	-	-
Balance at the end of the year	**133.02**	**133.02**
EMPLOYEE STOCK OPTIONS OUTSTANDING ACCOUNT		
Balance at the beginning of the year	1,204.53	1,204.53
Add : Additions during the year	-	-
Less : Deduction during the year	-	-
	1,204.53	**1,204.53**
Less: Deferred Employees' stock compensation	(136.72)	(429.33)
Balance at the end of the year	**1,067.81**	**775.20**
OTHER COMPREHENSIVE INCOME		
Foreign currency translation reserve		
Balance at the beginning of the year	(106.49)	384.54
Exchange difference arising on translating the foreign operations	(162.13)	(491.03)
Balance at the end of the year	**(268.62)**	**(106.49)**
EQUITY INSTRUMENT THROUGH OCI		
Balance at the beginning of the year	2,647.69	444.10
Add / (Less): Movements during the year	5,885.69	2,203.59
Balance at the end of the year	**8,533.38**	**2,647.69**
REMEASUREMENTS OF DEFINED BENEFIT PLANS		
Balance at the beginning of the year	(538.23)	(465.13)
Add / (Less): Movements during the year	(348.49)	(73.10)
Balance at the end of the year	**(886.72)**	**(538.23)**
RETAINED EARNINGS		
Balance at the beginning of the year	2,50,118.17	2,49,501.92
Add: profit / (loss) for the year	3,306.17	3,432.48
Less: Final Dividend paid	2,816.23	2,816.23
Balance at the end of the year	**2,50,608.11**	**2,50,118.17**
Total Reserves & Surplus	**2,60,432.98**	**2,54,275.36**

19.1 During the year ended 31st March, 2018, the Holding Company had concluded the buyback of 20,600,000 equity shares aggregating 22.65% of the paid-up equity share capital of the Holding Company at a price of ₹ 430 per equity share. The Holding Company had funded the buyback from its securities premium account, general reserve and retained earnings. Further, capital redemption reserve of ₹ 412.00 lakhs representing the nominal value of the shares bought back had been created as an appropriation from retained earnings. Transaction costs related to buyback were adjusted against retained earnings (net of tax).

19.2 In respect of the year ended 31st March, 2022, the Board of Directors of the Holding Company at its meeting held on 27th May, 2022 recommended a dividend of ₹ 4/- per share to be paid on its fully paid up equity shares having a face value of ₹ 2/. This equity dividend is subject to the approval of shareholders at the ensuing Annual General Meeting and has not been included as a liability in these consolidated financial statements. The total estimated equity dividend to be paid is ₹ 2,816.23 Lakhs.

19.3 During the year, the Holding Company has paid final dividend of ₹ 4 per equity share declared for the year ended 31st March, 2021 post approval of the shareholders at the AGM held on 31st July, 2021.

20 BORROWINGS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Term loan from bank	8,901.06	-
Total	**8,901.06**	**-**

20.1 During the year, the Holding Company has availed a term loan facility from bank at a floating rate linked to repo rate which is repayable in 20 quarterly installments over the tenure of 5 years commencing from December 2021. Refer note 41 for securities pledged against the loan.

21 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current lease liabilities	421.84	415.79
Non-current lease liabilities	1,457.12	1,431.02
Total	**1,878.96**	**1,846.81**

Refer note - 48

22 PROVISIONS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits :		
Defined benefit plan-Gratuity	1,288.14	609.48
Leave benefits	2,527.99	2,070.04
Long-term bonus	180.04	361.84
Total	**3,996.17**	**3,041.36**

23 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liabilities (net) in respect of the Holding Company	-	1,370.22
Total	**-**	**1,370.22**

23.1 (a) March 2022 - Deferred tax assets is recognised on the amount of tax loss, unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability.
(b) March 2021 - As at year end, deferred tax liability exceeds the deferred tax assets (including assets in respect of brought forward losses and depreciation) in accordance with the new tax regime. Also MAT credit is not available under the new tax regime. Further, deferred tax liability on fair value gain on equity instruments is net of deferred tax asset on brought forward long term capital loss of ₹ 734.76 lakhs.

23.2 Income tax expense/ (benefit) recognised in consolidated statement of profit and loss (Holding Company and its Subsidiaries) :

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Current tax:		
Current tax on profits for the year	1,050.83	1,668.26
Adjustments for current tax of prior periods	23.70	62.02
Total Current tax expense	1,074.53	1,730.28
Deferred Tax:		
Decrease / (increase) in Deferred Tax Assets	(1,688.07)	1,677.67
(Decrease) / Increase in Deferred Tax Liabilities	(495.74)	(1,692.49)
Total Deferred tax expense / (credit)	(2,183.81)	(14.82)
Aggregate income tax expense	**(1,109.28)**	**1,715.46**

23.3 Income tax expense recognised in other comprehensive income and other equity (Holding Company and Its Subsidiaries):

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Deferred tax liability on fair value gain on equity instruments (net)	1,760.71	300.51
Deferred tax asset on net loss / (gain) on Re-measurements of Defined Benefit Plans	24.58	(24.58)
Income Tax Expense / (Income) Charged to OCI	**1,785.29**	**275.93**

23.4 Reconciliation of tax expense and the accounting profit (Holding Company and its Subsidiaries) multiplied by India's domestic tax rate:

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Total profit / (loss) before income taxes	**2,196.89**	**5,147.94**
At India's Statutory Income Tax Rate of 25.168% (Previous year 25.168%)	552.91	1,295.63
Adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of expenses not deductible in determining taxable profit	(60.20)	121.90
Tax rate difference	(154.98)	(250.28)
Exempt income on which tax is not payable	-	(177.45)
Deferred tax asset recognised on remaining amount of b/f tax loss	(377.29)	(523.33)
Tax effect due to taxable income of subsidiaries / intra-group eliminations	(1,094.30)	1,155.15
Deferred tax regrouped on remeasurements of defined benefit plans	24.58	24.58
Others (net)	-	69.26
Adjusted income tax expenses	**(1,109.28)**	**1,715.46**
Tax charge / (credit) impact given in Other Comprehensive income	**1,785.29**	**275.93**
Total tax	**676.01**	**1,991.39**
Effective Income Tax Rate	**30.77%**	**38.68%**

23.5 Reflected in the Balance Sheet as follows (Holding Company):

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities		
Depreciation and amortisation	6,837.33	7,333.06
Fair value gain on equity instruments (net)	2,061.22	300.51
	8,898.55	**7,633.57**
Deferred Tax Assets		
Allowance for doubtful trade receivables	80.49	123.87
Allowance for doubtful advances	32.47	14.81
Allowance for impairment in value of investments	1,474.04	1,474.04
Allowance for impairment in value of other financial assets	200.68	141.09
Provision for employee benefits	1,197.81	885.88
Allowance for impairment in value of investments in Associates	118.42	-
Business loss / unabsorbed depreciation	5,761.16	3,618.49
Others	33.48	5.17
	8,898.55	6,263.35
Deferred Tax Liabilities (net)	**-**	**1,370.22**

23.6 Movement of deferred tax during the year 2021-2022 (Holding Company)

(₹ in Lakhs)

Particulars	Opening balance 1st April, 2021	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March, 2022
Deferred tax liabilities in relation to				
Depreciation and amortisation	7,333.06	(495.73)	-	6,837.33
Fair value gain on equity instruments (net)	300.51	-	1,760.71	2,061.22
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(123.87)	43.38	-	(80.49)
Allowance for doubtful advances	(14.81)	(17.66)	-	(32.47)
Allowance for impairment in value of investments	(1,474.04)	-	-	(1,474.04)
Allowance for impairment in value of other financial assets	(141.09)	(59.59)	-	(200.68)
Provision for employee benefits	(885.88)	(336.52)	24.58	(1,197.81)
Allowance for impairment in value of investments in Associates	-	(118.42)	-	(118.42)
Business loss / unabsorbed depreciation	(3,618.49)	(2,142.67)	-	(5,761.16)
Others	(5.17)	(28.31)	-	(33.48)
Deferred tax liabilities (net)	**1,370.22**	**(3,155.51)**	**1,785.29**	**-**

23.7 Movement of deferred tax during the year 2020-2021 (Holding Company)

(₹ in Lakhs)

Particulars	Opening balance 1st April, 2020	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March, 2021
Deferred tax liabilities in relation to				
Depreciation and amortisation	9,025.55	(1,692.49)	-	7,333.06
Fair value gain on equity instruments (net)	-	-	300.51	300.51
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(113.57)	(10.30)	-	(123.87)
Allowance for doubtful advances	(62.95)	48.14	-	(14.81)
Allowance for impairment in value of investments	(1,474.04)	-	-	(1,474.04)
Allowance for impairment in value of other financial assets	(174.90)	33.81	-	(141.09)
Provision for employee benefits	(812.76)	(48.54)	(24.58)	(885.88)
Business loss / unabsorbed depreciation	(6,338.00)	2,719.51	-	(3,618.49)
Others	(49.33)	44.17	-	(5.17)
Deferred tax liabilities (net)	**-**	**1,094.30**	**275.93**	**1,370.22**

24 OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Others (Customer Advances)	469.21	469.21
Total	**469.21**	**469.21**

25 BORROWINGS-CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
From Banks		
Packing credit (refer note 41)	1,142.85	-
Cash credit facility, repayable on demand (refer note 41)	20,426.01	10,062.50
Loan from Bank (current maturity of long term borrowings) (refer note 20)	2,566.32	-
Total	**24,135.18**	**10,062.50**

25.1 There were no differences in details of stock and debtors statement submitted by the Holding Company to bank at the end of each quarter as compared to books of account except minor difference of 0.20% for the quarter ended 30th September, 2021.

26 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	884.98	631.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	17,433.72	20,376.87
Total	**18,318.70**	**21,008.14**

26.1 **Trade Payables ageing schedule:**

As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	42.47	571.94	264.95	5.48	-	0.14	**884.98**
(ii) Others	1,888.08	11,138.35	4,182.82	135.21	46.94	42.32	**17,433.72**
(iii)Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**1,930.55**	**11,710.29**	**4,447.77**	**140.69**	**46.94**	**42.46**	**18,318.70**

As at 31st March, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	35.37	524.97	70.64	0.16	0.13	-	**631.27**
(ii) Others	3,811.19	10,821.62	5,079.39	587.97	51.42	25.28	**20,376.87**
(iii)Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**3,846.56**	**11,346.59**	**5,150.03**	**588.13**	**51.55**	**25.28**	**21,008.14**

27 OTHER FINANCIAL LIABILITY-CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unclaimed Dividend	159.12	179.04
Deposits from Customers	21.64	19.64
Payable for employee benefits	1,831.82	1,626.29
Payable for Capital Goods	3,209.39	9,793.54
Others (Forward contract payable)	30.89	-
Total	**5,252.86**	**11,618.51**

28 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Payables		
Statutory Dues	2,173.65	2,193.43
Revenue received in advance (refer note 28.1)	2,694.86	2,828.81
Others (customer advances, etc.)	396.86	640.26
Total	**5,265.37**	**5,662.50**

28.1 It includes ₹ 2,694.86 Lakhs (P.Y. ₹ 2,828.81 Lakhs) 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 Holding Company would be required to pay the duty saved along with interest to the regulatory authorities.

29 PROVISIONS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits :		
Defined benefit plan	439.57	372.10
Leave benefits	503.57	468.26
Long-term bonus	610.83	570.07
Other Provisions		
Claims (refer note 29.1)	55.31	72.17
Total	**1,609.28**	**1,482.60**

29.1 The Holding Company has made provisions for certain claims where cash outflow is expected within 12 months from balance sheet date. The Holding Company does not expect any reimbursement in regards to the provision made.

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Opening Balance	**72.17**	**224.44**
Add : provisions made	-	-
Less: utilisations	16.86	152.27
Closing balance	**55.31**	**72.17**

30 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sale of products	1,24,798.20	1,18,991.83
Other operating revenues		
Export benefits	997.49	3,026.87
Other operating revenues (Raw material, solvent, scrap sale, R&D revenue etc.) (refer note 30.2)	1,187.53	1,494.83
	2,185.02	**4,521.70**
Total Revenue from Operations	**1,26,983.22**	**1,23,513.53**

30.1 Disclosure for disaggregation of revenue :

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Formulations	1,09,687.82	1,05,262.05
Bulk Drugs and chemicals	15,110.38	13,729.78
Total	**1,24,798.20**	**1,18,991.83**

30.2 Other operating revenues includes ₹ 411.27 lakhs (P.Y. Nil) received upon settlement with the party towards reimbursement of legal expenses incurred by the Holding Company in earlier period. Also, refer note 38 B (ii) of financial statement.

31 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Income (Refer note 31.1)	647.77	2,293.95
Dividend Income on investments measured at Fair value through Profit and loss	0.37	0.36
Dividend Income on investments measured at Fair value through OCI	1,000.98	-
Net gain on investments measured at Fair value through Profit and loss	312.19	1,164.20
Other non-operating Income (lease rent, etc.) (net)	51.47	506.38
Net gain / (loss) on foreign currency translation and transactions	2,738.16	1,053.87
Total	**4,750.94**	**5,018.76**

31.1 **Details of interest income**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Income on financial assets measured at amortised cost / others	61.91	34.02
Interest Income on investments measured at Fair value through Profit and loss	585.86	2,259.93

32 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Raw Materials	39,709.24	38,974.31
Packing Materials	5,892.11	7,724.41
Total	**45,601.35**	**46,698.72**

CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN- PROGRESS

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Inventories at the Commencement		
Finished Goods	20,574.74	12,084.68
Work in progress	7,746.22	7,422.24
	28,320.96	**19,506.92**
Inventories at year end		
Finished Goods	22,259.43	20,574.74
Work in progress	10,214.94	7,746.22
	32,474.37	**28,320.96**
(Increase) / Decrease in Finished Goods	(1,684.69)	(8,490.06)
(Increase) / Decrease in Work in progress	(2,468.72)	(323.98)
Total change in inventory	**(4,153.41)**	**(8,814.04)**

33 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries & wages	30,274.89	28,104.32
Contribution to provident and other funds	1,710.79	1,475.33
Share-based payments to employees	284.84	282.64
Staff welfare expenses	778.44	834.77
Total	**33,048.96**	**30,697.06**

34 FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest expense	399.77	361.86
Interest on lease	102.31	78.14
Other borrowing costs (bank charges/ fees, etc)	108.45	71.86
Total	**610.53**	**511.86**

35 IMPAIRMENT LOSS ON FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Impairment of other financial asset		
Inter corporate deposits & interest thereon (refer note 35.1)	236.76	-
Investments in equity instruments of associates (refer note 6.3)	487.13	-
Total	**723.89**	**-**

35.1 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 70% (upto 50% in previous year) of the principal amount and interest accrued thereon. Refer note 8 & 16.

36 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Consumption of Stores and Spares	2,471.30	2,198.84
Power and Fuel	7,804.63	6,888.62
Rent	191.95	163.00
Insurance	1,075.20	994.25
Repairs :		
Plant and Machinery	1,495.60	1,334.96
Buildings	398.57	291.47
Others	3,378.22	3,037.98
Rates and Taxes	360.44	422.99
Advertising and sales promotion	1,441.22	268.09
Travelling and Conveyance	312.19	98.22
Freight outward	10,412.54	11,777.79
Directors' Fees	47.00	41.00
Commission on sales	214.00	206.32
Legal & Professional Expenses	2,172.54	2,648.07
Loss on discard / sale of property, plant and equipment (net)	23.43	52.26
Contribution towards Corporate Social Responsibility	63.22	328.45
Establishment and Administrative Expenses (refer note 36.1)	12,486.29	15,015.04
Total	**44,348.34**	**45,767.35**

36.1 **Establishment and Administrative Expenses includes following major expenses :**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Research and Development expenditure (Material, services, accessories etc.)	3,375.64	4,390.20
Bio Equivalence Studies	608.79	785.30
Lab related expenses (Glass apparatus, chemicals, accessories etc.)	1,701.25	1,809.53
Regulatory Fees	1,820.40	2,503.34

37 OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A (i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(323.91)	(97.68)
Equity instruments through other comprehensive income	7,646.40	2,504.10
A (ii) Income tax relating to items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(24.58)	24.58
Equity instruments through other comprehensive income (net)	(1,760.71)	(300.51)
B (i) Items that will be reclassified to profit or loss		
Exchange difference in translating the financial statements of foreign operations	(162.15)	(491.02)
B (ii) Income tax relating to items that will be reclassified to profit or loss	-	-
Total	**5,375.05**	**1,639.47**

38 CONTINGENT LIABILITIES AND OTHER LIABILITIES WHICH ARE REMOTE IN NATURE

A. Matters considered as contingent liability

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
(i) Claims not acknowledged as debts*.	1,940.33	1,930.03
(ii) Fine imposed by European Commission (refer note no. 39)	11,818.62	12,044.69
(iii) Other money for which the Group is contingently liable	71.89	476.71
(iv) Other bank guarantees	708.52	713.52
Total	**14,539.36**	**15,164.95**

* includes ₹ 89.25 lakhs (P.Y. ₹ 88.04 lakhs) income tax / sales tax refund amount kept on hold, amount paid under protest / deposit made pending adjudication under Income tax Act, 1961, Finance Act, 1994, Central Excise Act, 1944 and respective State VAT Acts.

Future cash outflow, if any, will be based on the outcome of the appeals / writ petition in case of disputed (a) statutory dues (b) claims from regulatory authorities and (c) European Commission matter (as elaborated in note 39 below). The Group does not expect any cash outflow in other matters mentioned above.

B Other liabilities which are remote in nature

(i) Claims made by the 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) In the earlier period, one party had filed the legal case on the Holding Company for breach of trust and claimed certain compensation / damages. During the current year, this matter is settled in favour of the Holding Company and amount received by the Holding Company on settlement is included in note 30.2.

(iii) 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.

(iv) The Holding Company has filed rectification letters in respect of certain income-tax refunds which have been with held 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 (iv), the possibility of any liability devolving on the Holding Company is remote and hence no disclosure as contingent liability is considered necessary.

39 On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd ("Niche") contending that they had acted in breach of EU competition law as Niche Generics Ltd had, in early 2005 (when the Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company & Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited. The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and fine imposed by the EU of Euro 13.96 million (equivalent to ₹ 11,818.62 lakhs) is continued to disclose the matter under contingent liability.

On the above matter, the auditors of the Niche have given qualified opinion in their audit report and the statutory auditor of Company have reported the said qualification in their audit report on consolidated financial statement for the year ended 31st March, 2022.

40 (a) Estimated amount of Contracts remaining to be executed (Net of Advances) on Capital account ₹ 13,394.57 lakhs (P.Y. ₹ 12,361.67 lakhs) and on other revenue accounts ₹ 21,147.99 lakhs (P.Y. ₹ 19,064.57 lakhs) are not provided for.

(b) The Holding Company's intention is to continue to provide financial support to its subsidiaries [Niche Generics Ltd, Unichem Laboratories Ltd (Ireland) and Unichem Farmaceutica Do Brasil Ltda]. Further, pending outcome of the appeal in respect of European Commission matter (refer note 39), the Company will consider all available options to assist the subsidiary.

41 Credit facilities and term loan facility from Kotak Mahindra Bank availed by the Holding Company and / or its subsidiary, Niche Generics Limited (United Kingdom), are secured by first and exclusive mortgage charge on immovable property being industrial land and building known as Unichem Laboratories Limited on plot bearing CTS No. 510 of village Oshiwara and CTS No.1 of village Majas, Prabhat Estate, Off. S. V. Road, Patel Engineering Road, Jogeshwari (West), Mumbai 400 102 and first and exclusive hypothecation charge on movable property, plant and equipment and mortgage charge on immovable properties being Industrial land and building at Goa. Subsequent to the financial year ended 31st March, 2022, the Holding Company has created mortgage charge on immovable properties at Goa towards credit facilities and term loan facility availed from Kotak Bank.

Further credit facilities from Citibank, N.A. availed by the Holding Company, are secured by way of first and exclusive charge on pledge against investments in mutual funds to the extent of ₹ 3,762.79 lakhs (P.Y. ₹ 3,636.95 lakhs). Additionally, credit facilities availed by the Holding Company from Bank of India, Axis Bank and HDFC Bank are secured against hypothecation of stock and debtors.

Additionally, all credit facilities have been registered with Registrar of Companies (ROC) within the prescribed due date except minor delay in case of registration of modification of charge on credit facility availed from Bank of India on account of procedural reasons.

42 Expenditure incurred during the year and included in Capital work-in-progress as follows.

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
i) Power & fuel	685.64	47.86
ii) Payroll expenses	669.61	275.68
iii) Freight	0.56	0.18
iv) Insurance	7.29	21.62
v) Travelling expenses	1.62	0.28
vi) Rent, Rates & Taxes	3.47	-
vii) Depreciation	44.46	44.46
viii) R&D Chemicals	323.29	-
ix) Administrative expenses	205.34	161.41
x) Professional fees	62.62	3.97
xi) Interest	246.68	-
Total	**2,250.58**	**555.46**

43 HEDGE ACCOUNTING

The Holding Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Holding Company. The Holding Company manages currency risk as per trends and experiences. The Holding Company uses forward exchange contracts to hedge against its foreign currency exposures relating to export receivables. The Holding Company does not enter into any derivative instruments for trading or speculative purposes.

Fair Value Hedge

Hedging Instrument and Hedge Item :

(₹ in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March, 2022		Changes in amount of fair value	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign currency risk Trade Receivables hedged by Forward Contracts	12,523.32	12,492.43	-	(30.89)	April 2022 to August 2022	Other Financial Liability

Hedging Instrument and Hedge Item :

(₹ in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March, 2021		Changes in amount of fair value	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign currency risk Trade Receivables hedged by Forward Contracts	12,565.75	12,603.79	-	38.04	April 2021 to September 2021	Other Financial Assets

i) The following are the outstanding forward contracts:

Currency	Buy / Sell	In Foreign Currency (in lakhs)		₹ in Lakhs	
		As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
USD	Sell	164.60	169.99	12,492.43	12,603.79

ii) Foreign Currency exposure not hedged by forward contracts are given below :

Particulars	In Foreign Currency (in lakhs)		₹ in Lakhs	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
A) Trade Receivables and Vendor advances				
Euro	41.61	34.70	3,498.07	2,974.95
USD	123.23	149.23	9,331.30	10,900.93
Others (CAD, GBP & CHF)			177.39	479.80
B) Trade Payables and Customer advances				
Euro	12.71	4.13	1,075.72	356.24
USD	40.91	55.31	3,116.94	4,068.51
Others (GBP & ZAR)			15.92	22.82
C) Borrowings				
USD (PCFC loan)	15.00	-	1,142.85	-

44 Segment Information

The Group's Chief operating decision maker is Chairman & Managing Director and the Group has only one reportable segment i.e. Pharmaceuticals. It is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance. The risk, returns and internal business reporting systems are related to the one segment only.

Entity-wide disclosures:

(i) Revenues from sale of products from external customers

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
India	**4,125.20**	**3,706.59**
Outside India	**1,20,673.00**	**1,15,285.24**
USA	73,429.45	70,760.37
Others	47,243.55	44,524.87
Total	**1,24,798.20**	**1,18,991.83**

Revenue from external customers is allocated based on the location of the customer.

(ii) Details of Products

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Formulations	1,09,687.82	1,05,262.05
Bulk Drugs and Chemicals	15,110.38	13,729.78
Total	**1,24,798.20**	**1,18,991.83**

(iii) Non-current assets:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
India	**1,62,154.06**	**1,52,933.66**
Outside India		
USA	909.94	1,176.63
Others	3,510.02	3,775.00
Total	**1,66,574.02**	**1,57,885.29**

(iv) **Major customers:** During the year, the Group has only one external customer based in USA amounting to ₹ 24,207.46 lakhs (19.43%) which accounts for more than 10% of the Group's total revenue for the year ended 31st March, 2022. In previous year, the Group has two external customers based in USA amounting to ₹ 21,161.13 lakhs (17.78%) and ₹ 12,892.69 lakhs (10.83%) which accounts for more than 10% of the Group's total revenue for the year ended 31st March, 2021.

45 Related Party Disclosures

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

a) List of related parties

(i) Enterprises under significant influence of key management personnel as defined in (ii) (disclosed to the extent of transactions) Uni - Distributors Pvt. Ltd. Adiwasi Unnati Mandal Uni Trust Prakash Amrut Mody - Suparna Mody (Promoter Trust) Prakash Amrut Mody - Supriya Mody (Promoter Trust) Prakash Amrut Mody - Shwetambari Mody (Promoter Trust) Also Refer note (f)	**(ii) Key management personnel and their relatives: (disclosed to the extent of transactions)** Dr. Prakash A. Mody (Chairman & Managing Director - CMD, Promoter) Mrs. Anita Mody (Spouse of CMD) Ms. Supriya Mody (Daughter of CMD) Ms. Suparna Mody (Daughter of CMD) Mr. Dilip J. Kunkolienkar (Director - Technical)
(iii) Independent Directors: Dr. (Mrs.) B. Kinnera Murthy Mr. Anand Y. Mahajan Mr. Prafull Anubhai Mr. Prafull D Sheth	**(iv) Post-employment benefit plans:** Unichem Laboratories Ltd.-Employees Gratuity Fund Unichem Laboratories Ltd.-Employees Superannuation Fund
(v) Key management personnel and their relatives as per Companies Act, 2013. Mr. Pradeep Bhandari (Head- Legal & Company Secretary) Mr. Sandip Ghume (Dy. Chief Financial Officer)	

b) Disclosure of related party transactions :

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
i) Rent & Maintenance Paid (excluding indirect taxes)		
Relative of Key Management Personnel		
Mrs. Anita Mody	18.05	18.66
Enterprise under significant influence of Key Management Personnel		
Uni - Distributors Pvt. Ltd.	12.86	11.69
Uni Trust	9.00	9.00
	39.91	**39.35**
ii) Managerial remuneration (including defined contribution plan)		
Key Management Personnel		
Dr. Prakash A. Mody	555.28	542.63
Mr. Dilip J. Kunkolienkar	196.43	181.00
	751.71	**723.63**
iii) Salary (including defined contribution plan)		
Relative of Key Management Personnel		
Ms. Supriya Mody	93.86	84.84
	93.86	**84.84**
iv) Dividend Paid		
Key Management Personnel & Relatives		
Dr. Prakash A. Mody	1,299.98	1,299.98
Mrs. Anita Mody	52.94	52.94
Ms. Supriya Mody	38.00	38.00
Ms. Suparna Mody	38.00	38.00
Mr. Dilip J. Kunkolienkar	3.02	3.02
Prakash Amrut Mody - Suparna Mody (Promoter Trust)	2.08	2.08
Prakash Amrut Mody - Supriya Mody (Promoter Trust)	1.80	1.80
Prakash Amrut Mody - Shwetambari Mody (Promoter Trust)	1.65	1.65
	1,437.47	**1,437.47**
Independent Directors		
Mr. Anand Y. Mahajan	0.60	0.60
Mr. Prafull Anubhai	0.03	0.03
Mr. Prafull D. Sheth	0.30	0.30
	0.93	**0.93**
v) Sitting Fees		
Independent Directors		
Dr. (Mrs.) B. Kinnera Murthy	12.00	10.50
Mr. Anand Y. Mahajan	10.50	9.50
Mr. Prafull Anubhai	13.00	11.50
Mr. Prafull D. Sheth	11.50	9.50
	47.00	**41.00**
vi) Corporate Social Responsibility		
Enterprise under significant influence of Key Management Personnel		
Adiwasi Unnati Mandal	-	10.00
	-	**10.00**

c) Disclosure of related party balances :

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
i) Deposits paid		
Relative of Key Management Personnel		
Mrs. Anita Mody	45.90	45.90
Enterprise under significant influence of Key Management Personnel		
Uni - Distributors Pvt. Ltd.	5.00	5.00
Uni Trust	2.25	2.25
	53.15	**53.15**
ii) Other Current Liabilities		
Key Management Personnel		
Dr. Prakash A. Mody	66.23	50.85
	66.23	**50.85**
iii) Sitting Fees Payable		
Dr. (Mrs.) B. Kinnera Murthy	0.90	-
Mr. Anand Y. Mahajan	0.90	-
Mr. Prafull Anubhai	0.90	-
Mr. Prafull D. Sheth	1.35	-
	4.05	**-**

d) Contribution to post employment benefit plan :

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Post-employment benefit plans		
Unichem Laboratories Ltd. - Employees Gratuity Fund	-	9.97
Unichem Laboratories Ltd. - Employees Superannuation Fund	101.01	86.12
	101.01	**96.09**

e) Following are Key Management Personnel (not covered above) in accordance with provisions of the Indian Companies Act, 2013. Details of transactions and balances are below :

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
i) Salary (including defined contribution plan)		
Key Management Personnel		
Mr. Pradeep Bhandari	92.60	77.38
Mr. Sandip Ghume	98.86	52.63
	191.46	**130.01**

1 Number of option pending to be exercised by Mr. Dilip Kunkolienkar as on 31st March, 2022 are 2,46,176 (P.Y. 2,46,176).
2 Key Managerial Personnel and their Relatives who are under the employment of the Holding Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above. Further, it also does not include actual payments of gratuity and leave encashment. Also, re-imbursement of expenses to KMP and their relatives are not included above.
3 Related party contracts / arrangements have been entered in ordinary course of business and are approved by the board of directors / shareholders as applicable.

f) In view of the Management, equity Investment in Synchron Research Services Pvt Ltd will not result in the investee company becoming a related party since there is no control / influence over operations :
The summary of transactions with Synchron Research Services Pvt. Ltd. are as follows (also refer note 6.3):

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Research & Development Expenditure (Bio-equivalence studies)	-	80.80
Rent Income (net of indirect tax)	30.75	46.12
Deposit received	-	7.50
Capital Goods Purchased	461.14	-

46 EARNINGS PER EQUITY SHARE (EPS)

Particulars			2021-2022	2020-2021
Weighted average number of equity shares for basic EPS	(A)	Nos	7,04,05,750	7,04,05,750
Add : Potential equity shares on exercise of option of ESOP			1,73,383	-
Weighted average number of equity shares for diluted EPS	(B)	Nos	7,05,79,133	7,04,05,750
Face value of equity share (Fully Paid)		₹	2.00	2.00
Profit/(loss) attributable to equity shareholders for basic & Diluted EPS	(C)	₹ lakhs	3,306.17	3,432.48
Earnings per equity share				
Basic	(C/A)	₹	4.70	4.88
Diluted	(C/B)	₹	4.68	4.88

Note: In respect of current year, potential equity shares in the form of ESOPs have average market price greater than exercise price and hence, it has dilutive effect. In respect of previous year, potential equity shares in the form of ESOPs have exercise price greater than average market price and hence, do not have dilutive effect.

47 The Subsidiaries (Niche Generics Ltd., Unichem Laboratories Ltd. Ireland) and Unichem Farmaceutica Do Brasil Ltda) have accumulated losses which have been considered for the purpose of consolidated financial statements. The standalone financial statements of these subsidiaries have been prepared on a going concern basis considering the continuous financial support from the Holding Company to its subsidiaries. Management of the Holding Company is of the view that performance of the subsidiaries is improving and will turnaround.

48 LEASE

Disclosure as per Ind AS 116 'Leases' is as given below. Also, refer note 2.18 and 4.

As a Lessee

a) The Holding Company has obtained certain equipment under non-cancellable lease agreements for the period of 36 months which are subject to renewal at mutual consent. For such leases with lower underlying value asset, the Holding Company has applied the 'low value asset' recognition exemption. The expenses charged to the statement of profit & loss in current year is ₹ 30.43 lakhs (P.Y ₹ 35.55 lakhs) and is grouped under note 36 (establishment and administrative expenses).

(₹ in Lakhs)

The details of outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows	2021-2022	2020-2021
Lease payment not later than one year	22.60	34.07
Lease Payment later than one year and not later than five years	1.24	7.73
Lease Payment later than five years	-	-
Total	**23.84**	**41.80**

b) The Holding Company has taken flats / office premises, vehicles and other machinery on cancellable operating leases. There are no restrictions imposed by lease arrangements. For such lease arrangement with lease terms of 12 months or less, the Holding Company has applied the 'short-term lease' recognition exemptions. There are no sub-leases. The deposit amount are refundable on completion / cancellation of lease term.The aggregate lease rentals charged as lease rent to the statement of profit and loss in current year is ₹ 109.30 lakhs (P.Y. ₹ 140.36 lakhs) and is grouped under note 36 (establishment and administrative expenses).

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

(₹ in Lakhs)

Particluars	2021-2022	2020-2021
Interest expense on lease liabilities (Refer note 34)	102.31	78.14
Lease expenses in case of short term leases (Refer note 48 (b))	109.30	140.36
Lease expenses in case of low value leases (other than short term as disclosed above) (Refer note 48 (a))	30.43	35.55
Lease payments debited to lease liabilities	382.57	400.60
Total cash outflow for leases [including short term and low value leases]	624.61	654.65
Additions to ROU assets	2,390.25	211.71

d) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2022 and 31st March, 2021 on an undiscounted basis:

(₹ in Lakhs)

Particluars	2021-2022	2020-2021
Lease payment not later than one year	492.40	493.84
Lease Payment later than one year and not later than five years	1,019.19	1,305.03
Lease Payment later than five years	2,015.62	455.69
Total	**3,527.21**	**2,254.56**

e) The right-of-use asset is depreciated using the straight-line method (SLM) from the commencement date over the lease term of right-of-use asset. For details of addition, depreciation and carrying amount of right of use asset (refer note 4).

49 EMPLOYEE BENEFITS

The Holding Company has a defined benefit gratuity plan. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Other long term benefits comprises of leave entitlements and long term bonus to the employees. Leave entitlements benefits is partly funded by the Holding Company.

Bifurcation of liability including short-term leave benefits as per Schedule III of the Indian Companies Act 2013 :

(₹ in Lakhs)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Current Liability	Non-Current Liability	Net Liability	Current Liability	Non-Current Liability	Net Liability
Gratuity	439.57	1,288.14	1,727.71	372.10	609.48	981.58
Leave entitlements	503.57	2,527.99	3,031.56	468.26	2,070.04	2,538.30
Long term Bonus	610.83	180.04	790.87	570.07	361.84	931.91
Net Liability	**1,553.97**	**3,996.17**	**5,550.14**	**1,410.43**	**3,041.36**	**4,451.79**

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

Particulars	Gratuity	
	2021-2022	2020-2021
Discount rate	6.70%	6.30%
Salary growth rate	9.00%	9.00%
Expected rate of return on Plan assets	6.70%	6.30%
Withdrawal rate	15% at younger ages reducing to 2% at older ages	15% at younger ages reducing to 2% at older ages

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discounting rate is based on material yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations. The overall expected rate of return on assets is based on the LIC structure of interest rates on gratuity funds.

The following tables summarise the funded status and amounts recognised in the balance sheet for gratuity.

Funded status of the plan :

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2022	As at 31st March, 2021
Present value of funded obligations	3,508.69	2,816.53
Fair value of plan assets	1,780.98	1,834.95
Net Liability (Asset)	**1,727.71**	**981.58**

Amount charge to statement of Profit and loss:

(₹ in Lakhs)

Particulars	Gratuity	
	2021-2022	2020-2021
Current service cost	372.10	299.93
Net interest cost	50.12	27.49
Total Charge to statement of P&L (included in employee benefit expense)	**422.22**	**327.42**

Amount charged to Other Comprehensive Income:

(₹ in Lakhs)

Particulars	Gratuity	
	2021-2022	2020-2021
Components of actuarial gain/(loss) on obligations:		
Due to Change in financial assumptions	(97.06)	55.07
Due to change in demographic assumption	-	-
Due to experience adjustments	456.39	82.25
Return on plan assets excluding amounts included in interest income	(35.42)	(39.64)
Amounts recognised in Other Comprehensive Income	**323.91**	**97.68**

Reconciliation of defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity	
	2021-2022	2020-2021
Opening Defined Benefit Obligation	**2,816.52**	**2,358.60**
Current service cost	372.10	299.93
Interest cost	148.05	128.89
Actuarial loss/(gain) due to change in financial assumptions	(97.06)	55.06
Due to change in demographic assumption	-	-
Actuarial loss/ (gain) due to experience adjustments	456.39	82.25
Benefits paid	(187.31)	(108.21)
Closing Defined Benefit Obligation	**3,508.69**	**2,816.52**

Reconciliation of plan assets:

(₹ in Lakhs)

Particulars	Gratuity	
	2021-2022	2020-2021
Opening value of plan assets	**1,834.95**	**1,792.15**
Interest Income	97.93	101.40
Return on plan assets excluding above	35.42	39.64
Contributions by employer	-	9.97
Benefits paid	(187.31)	(108.21)
Closing value of plan assets	**1,780.99**	**1,834.95**

Sensitivity analysis:

Assumptions	Change in assumptions		Increase/(decrease) in defined benefit obligation	
	Increase/decrease	Percentage	2021-2022	2020-2021
Discount rate	Increase by	0.5%	-3.24%	-3.21%
	Decrease by	0.5%	3.48%	3.46%
Salary growth rate	Increase by	0.5%	3.39%	3.35%
	Decrease by	0.5%	-3.19%	-3.15%
Withdrawal rate	Increase by	10%	-0.93%	-1.10%
	Decrease by	10%	1.01%	1.20%

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: investment risk, interest risk, longevity risk and salary risk.

Investment risk :
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk :
A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk :
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk :
The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Expected contribution and weighted average duration for defined benefit obligation

Particulars	2021-2022	2020-2021
Expected contribution for the next year (₹ lakhs)	439.57	372.10
Weighted average duration for defined benefit obligation (years)	6.31	6.06

Asset-liability matching strategies

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

50 SHARE-BASED PAYMENT PLANS (ESOP)

(i) During the year ended 31st March, 2022 the Holding company has share-based payment arrangements which are described below:

Type of arrangement	ESOP 2018 Senior Management stock option scheme - I
Date of Grant	06.08.2018
Number granted	15,12,224
Contractual life	3-5 Years
Vesting condition	As decided by Board/ Compensation Committee based on various factors

(ii) Summary of stock option are as follows:

Particulars	ESOP 2018	
	2021-2022	2020-2021
Option outstanding at the beginning of the year (Nos.)	15,12,224	15,12,224
Granted during the year (Nos)	-	-
Exercised during the year (Nos.)	-	-
Lapsed during the year (Nos.)	-	-
Option outstanding at the end of the year (Nos.)	**15,12,224**	**15,12,224**
Vested and exercisable at the end of the year (Nos.)		
Weighted Average Exercise Price (₹)	250	250
Weighted Average Fair Value of Option at the measurement date * (₹)	80	80

* Fair value calculated based on Black & Scholes option pricing model

(iii) Share options outstanding at the end of year have the following expiry dates and exercise prices

Grant Date	Expiry Date	Scheme Name	Exercise price (₹)	No. of ESOPS	
				2021-2022	2020-2021
6th Aug, 2018	30th June, 2023	ESOP 2018	250	7,56,112	7,56,112
6th Aug, 2018	30th June, 2024	ESOP 2018	250	7,56,112	7,56,112
				15,12,224	**15,12,224**

(iv) Expense arising from share-based payment transactions

Expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Employee stock option plan	284.84	282.64
Total	**284.84**	**282.64**

51 RESEARCH & DEVELOPMENT EXPENDITURE

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

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Materials	3,866.31	5,379.18
Salaries, wages and Ex-gratia	3,229.21	3,116.79
Contribution to Provident fund and other Funds	203.32	159.55
Employee's welfare expenses	63.93	57.48
Rent	14.45	25.36
Insurance	39.61	42.99
Rates and Taxes	19.72	21.65
Repairs:		
Buildings	-	0.03
Plant and machinery	102.34	126.26
Others	265.31	256.02
Power and fuel	379.70	343.32
Travelling and conveyance	32.65	7.28
Legal & Professional Expenses	463.83	732.18
Others (Depreciation, Bioequivalence Studies, etc.)	2,593.72	2,722.72
Total	**11,274.10**	**12,990.81**

ii) Research and Development expenditure at units approved by Department of Scientific & Industrial Research included in Total Research and Development expenditure (Refer note - 51 (i))

(₹ in Lakhs)

Particulars	2021-2022	2020-2021
Materials	3,005.50	3,999.67
Salaries, wages and Ex-gratia	3,118.78	2,999.73
Contribution to Provident fund and other Funds	199.98	157.29
Employee's welfare expenses	63.08	56.52
Rent	14.45	25.36
Insurance	30.05	37.13
Rates and Taxes	19.37	21.65
Repairs:		
Plant and machinery	94.95	122.81
Others	249.37	244.17
Power and fuel	302.80	278.88
Travelling and conveyance	32.65	7.28
Legal & Professional Expenses	463.80	732.16
Others (Depreciation, Bioequivalence Studies, etc.)	2,183.28	2,340.16
Total	**9,778.06**	**11,022.81**

52 FINANCIAL INSTRUMENTS

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:*				
Amortised cost				
Cash and cash equivalents	2,536.92	2,536.92	4,933.70	4,933.70
Other bank balances	490.59	490.59	498.78	498.78
Trade receivables	49,543.31	49,543.31	25,026.95	25,026.95
Loans	16.83	16.83	11.75	11.75
Other Financial Assets	868.13	868.13	1,908.11	1,908.11
Fair value through profit or loss				
Investments in mutual funds and bonds (including Cash and cash equivalents)	12,145.50	12,145.50	26,455.30	26,455.30
Investments in equity instruments	28.47	28.47	17.03	17.03
Derivative Instruments	-	-	38.04	38.04
Fair value through OCI				
Investments in equity instruments	22,595.23	22,595.23	14,948.83	14,948.83
Total	**88,224.98**	**88,224.98**	**73,838.49**	**73,838.49**
Financial liabilities :				
Amortised cost				
Borrowings	33,036.24	33,036.24	10,062.50	10,062.50
Lease liabilities	1,878.96	1,878.96	1,846.81	1,846.81
Trade payables	18,318.70	18,318.70	21,008.14	21,008.14
Other financial liabilities	5,221.97	5,221.97	11,618.51	11,618.51
Fair value through profit or loss				
Derivative Instruments	30.89	30.89	-	-
Total	**58,486.76**	**58,486.76**	**44,535.96**	**44,535.96**

* 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, 2022

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments	26.47	-	22,597.23	22,623.70
Investments in mutual funds & bonds	12,145.50	-	-	12,145.50
Financial Liabilities				
Derivative Instruments (gain) / loss	-	30.89	-	30.89

Fair value hierarchy as at 31st March, 2021

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments	15.03	-	14,950.83	14,965.86
Investments in mutual funds & bonds	26,455.30	-	-	26,455.30
Financial Liabilities				
Derivative Instruments (gain) / loss	-	(38.04)	-	(38.04)

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 :

a) Equity investments traded in an active market determined by reference to their quoted market prices.

b) 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, EUR and other currencies (which are not material) form non-derivative financial instruments:

(₹ in Lakhs)

As at 31st March, 2022	USD	Euro	Others*	Total
Assets				
Trade Receivables and vendor advances	21,823.73	3,498.07	177.39	25,499.19
Total	**21,823.73**	**3,498.07**	**177.39**	**25,499.19**
Liabilities				
Trade Payables and customer advances	4,259.79	1,075.72	15.92	5,351.43
Borrowings	1,142.85			1,142.85
Total	**5,402.64**	**1,075.72**	**15.92**	**6,494.28**
Net Assets / Liabilities	**16,421.09**	**2,422.35**	**161.47**	**19,004.91**

*Others mainly include currency namely GBP (pounds), ZAR & CAD

(₹ in Lakhs)

As at 31st March, 2021	USD	Euro	Others**	Total
Assets				
Trade Receivables and vendor advances	23,504.72	2,974.95	479.80	26,959.47
Total	**23,504.72**	**2,974.95**	**479.80**	**26,959.47**
Liabilities				
Trade Payable and customer advances	4,068.51	356.24	22.82	4,447.57
Total	**4,068.51**	**356.24**	**22.82**	**4,447.57**
Net Assets/ Liabilities	**19,436.21**	**2,618.71**	**456.98**	**22,511.90**

**Others mainly include currency namely GBP (pounds), ZAR & CAD

Sensitivity analysis

(₹ in Lakhs)

Particulars	Foreign Currency Sensitivity					
	As at 31st March, 2022			As at 31st March, 2021		
	USD	Euro	Others	USD	Euro	Others
1% Appreciation in INR Impact on Profit & Loss	(164.21)	(24.22)	(1.61)	(194.36)	(26.19)	(4.57)
1% Depreciation in INR Impact on Profit & Loss	164.21	24.22	1.61	194.36	26.19	4.57

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 2022. In previous year, there were two external party customers which contributed to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries).(refer note 39)

The Holding Company limits its exposure to credit risk by generally investing in liquid securities having and only with counterparties that have a good credit rating. The Holding company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

None of the financial instruments of the Holding Company result in material concentration of credit risk. Geographic concentration of credit risk relating to trade receivable (other than subsidiaries) is predominantly there in USA i.e. above 10% and less than 10% in other countries. Refer note no. 13 for movement in expected credit loss allowance.

Liquidity risk:

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

(₹ in Lakhs)

As at 31st March, 2022	In 1 year	More than 1 year	Total
Trade Payable	18,318.70	-	18,318.70
Borrowings	24,135.18	8,901.06	33,036.24
Lease liabilities	421.84	1,457.12	1,878.96
Other financial liabilities	5,252.86	-	5,252.86
Total	**48,128.58**	**10,358.18**	**58,486.76**

(₹ in Lakhs)

As at 31st March, 2021	In 1 year	More than 1 year	Total
Trade Payable	21,008.14	-	**21,008.14**
Borrowings	10,062.50	-	**10,062.50**
Lease liabilities	415.79	1,431.02	**1,846.81**
Other financial liabilities	11,618.51	-	**11,618.51**
Total	**43,104.94**	**1,431.02**	**44,535.96**

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, 2022 and 31st March, 2021.

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, 2022

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit or loss	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs
Parent								
Unichem Laboratories Ltd.	102.0%	2,67,204.09	-167.7%	(5,542.96)	103.0%	5,537.20	-0.1%	(5.76)
Subsidiaries								
Foreign								
Niche Generics Limited.	0.0%	71.97	-12.7%	(420.63)	0.0%	1.19	-4.8%	(419.44)
Unichem SA Pty Ltd.	0.1%	258.20	3.7%	123.01	0.2%	11.02	1.5%	134.03
Unichem Farmaceutica Do Brasil Ltda	-0.4%	(1,082.86)	7.9%	259.77	-4.3%	(231.34)	0.3%	28.43
Unichem Pharmaceuticals (USA) Inc .	6.5%	16,891.13	97.8%	3,232.78	8.7%	468.84	42.6%	3,701.62
Unichem Laboratories Limited. (Incorporated in Ireland)	-0.1%	(167.04)	-3.7%	(122.77)	0.1%	3.23	-1.4%	(119.54)
Unichem (China) Pvt Ltd.	0.0%	64.87	-5.4%	(178.11)	0.0%	2.32	-2.0%	(175.79)
Associate								
Synchron Research Pvt Ltd.	0.0%	-	-3.2%	(106.10)	0.0%	-	-1.2%	(106.10)
Consolidation Adjustments	-8.1%	(21,399.26)	183.3%	6,061.18	-7.7%	(417.41)	65.1%	5,643.77
Total	**100.0%**	**2,61,841.10**	**100.0%**	**3,306.17**	**100.0%**	**5,375.05**	**100.0%**	**8,681.22**

Note:

1. The amounts given in the table above are from the annual accounts made for the financial year ended 31st March, 2022 for each of the companies.
2. The Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31st March, 2022.

(b) As at and for the year ended 31st March, 2021

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit or loss	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs
Parent								
Unichem Laboratories Ltd.	105.5%	2,69,733.47	157.6%	5,408.23	129.9%	2,130.49	148.6%	7,538.72
Subsidiaries								
Foreign								
Niche Generics Limited.	0.2%	491.41	2.5%	84.73	2.1%	34.82	2.4%	119.55
Unichem SA Pty Ltd.	0.0%	124.16	0.8%	30.57	1.0%	16.37	0.9%	46.94
Unichem Farmaceutica Do Brasil Ltda	-0.4%	(1,111.29)	-14.1%	(483.93)	6.5%	106.73	-7.4%	(377.20)
Unichem Pharmaceuticals (USA) Inc .	5.1%	13,121.46	158.9%	5,455.10	-15.5%	(255.07)	102.5%	5,200.03
Unichem Laboratories Limited. (Incorporated in Ireland)	0.0%	(47.50)	-1.7%	(59.58)	0.5%	7.41	-1.0%	(52.17)
Unichem (China) Pvt Ltd.	0.0%	17.76	-1.3%	(45.06)	0.1%	2.07	-0.8%	(42.99)
Associate								
Synchron Research Pvt Ltd.	0.1%	173.03	-1.0%	(34.25)	0.0%	-	-0.7%	(34.25)
Consolidation Adjustments	-10.5%	(26,819.02)	-201.7%	(6,923.33)	-24.6%	(403.35)	-144.5%	(7,326.68)
Total	**100.0%**	**2,55,683.48**	**100.0%**	**3,432.48**	**100.0%**	**1,639.47**	**100.0%**	**5,071.95**

Note:

1. The amounts given in the table above are from the annual accounts made for the financial year ended 31st March, 2021 for each of the companies.
2. 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, 2021.

55 As on 31st March, 2022, the Holding Company and its subsidiaries has not been declared wilful defaulter by any bank / financial institution or other lender.

56 The Holding Company and its subsidiaries are not engaged in the business of trading or investing in crypto currency or virtual currency and hence no disclosure is required.

57 The Holding Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

58 The Holding Company has not advanced any funds or loaned or invested by the Holding Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Holding Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

The Holding Company has not received any funds from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

59 No proceedings have been initiated or are pending against the Holding Company as on 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

60 The Holding Company does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and hence no disclosure is required.

61 The Holding Company has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.

62 There is no transaction that is not recorded in the books of accounts of the Holding Company that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 27th May, 2022

Sandip Ghume
Deputy Chief
Financial Officer

Pradeep Bhandari
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN.: 02666678

Notes

HR & CSR Activities

Unichem - Touching Lives

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