ANNUAL REPORT 2018-19

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

Stakeholders' Relationship Committee
Mr. Prafull Anubhai - Chairman
Dr. Prakash A. Mody
Dr. (Mrs.) B. Kinnera Murthy

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

Company Secretary & Compliance Officer (Head - Legal & Company Secretary)
Ms. Neema Thakore

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 • Fax.: (022) 2678 4391
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.: mumbai@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, 15, 17, 17A & 18
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. Prafull 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 Stakeholders,

I am pleased to present you with the 56th Annual Report of your Company.

The financial year 2018-19 was the first complete year of the "New" Unichem with the world as its market. Your Company is today set to reap the rewards of over six decades of consistent commitment to the basic values of integrity, quality and reliability in its thrust to develop a global market.

In conducting our business, we are guided by the famous quote widely attributed to Aristotle - **"We are what we repeatedly do. Excellence, then, is not an act, but a habit."**

It is this approach of constantly striving for excellence that has led to your Company being known for "Quality" and "Reliability" the world over. Unichem today is known globally for its excellence in drug manufacturing, both in the areas of APIs (Active Pharmaceutical Ingredients) and Formulations. The dedication to excellence will ensure the long-term success of your Company in the global pharma market.

This intrinsic philosophy saw your Company's facilities successfully clearing multiple inspections by regulatory bodies from across the globe during the year under review. These included successful completion of USFDA (US Food and Drug Administration) inspections of the Formulation and API facilities at Ghaziabad, Roha and Pithampur. Your Company also received an Establishment Inspection Report (EIR) for its Jogeshwari office (Mumbai) for post marketing adverse drug experience inspection. I am confident that our drive for quality, reliability and excellence will ensure that we continue to not just meet but surpass the stringent cGMP (Current Good Manufacturing Practice) standards required for doing business in the regulated markets.

Post divestment of the Domestic Formulation Business, your Company has continued to focus its energies in the global regulated markets, which is evident from the robust performance it has delivered in the USA formulation business with a significant improvement over the past years.

Standalone Sales / Income from Operations (Gross) increased to ₹96,773.89 lakhs from ₹66,646.97 lakhs in the previous year, registering a growth of 45.20%. Consolidated Sales/Income from Operations (Gross) stood at ₹1,18,004.68 lakhs as compared to ₹81,498.48 lakhs (continuing operations) in the previous year, registering an increase of 44.80%.

During the year under review; your Company received ANDA (Abbreviated New Drug Application) approvals from the USFDA for Montelukast Chewable Tablets, Tadalafil Tablets, Pramipexole Dihydrochloride Tablets, Allopurinol Tablets and Valsartan Tablets. Your Company also filed 14 ANDAs and 1 PAS (Prior Approval Supplement) for new formulations. The ANDA submissions include 1 Para IV filing. Your Company also submitted 12 USDMFs (US Drug Master Files), 1 CEP (Certification of Suitability of European Pharma-copoeia) and 2 Brazil dossiers.

The above is a fitting testament to your Company's strategy of investing in R&D, with efforts led by our R&D Centre of Excellence in Goa that focuses on API Process Research, API Process Research Analytics, Formulation Development, Formulation Development Analytics, Clinical Research and Intellectual Property Management.

The year also saw implementation of your Company's capital expenditure program across all manufacturing units, which continued to be funded through internal accruals with significant emphasis on modernization and expansion of capacity. This would bolster our efforts to increase business in the global regulated markets we serve.

To meet the demands of incremental growth, your Company has made strategic investments in two Hyderabad based companies, namely Optimus Drugs Private Limited and Optrix Laboratories Private Limited, engaged in the business of researching, developing, manufacturing, marketing and distribution of API and intermediates. The key objective of this investment is to gain access to their USFDA approved manufacturing facilities for API and intermediates. This will provide the Company with additional capacity to meet its immediate requirements and to fulfil its export orders.

Considering the continued good performance, it gives me great pleasure to inform you that the Board of Directors of your Company have recommended a dividend of ₹4/- per share (200%). The dividend shall be paid if approved by the Shareholders at the 56th Annual General Meeting.

I take this opportunity to extend my gratitude to all our stakeholders and our esteemed Board members for their guidance and support. I am also thankful to our customers, business associates, banks and financial institutions who continue to encourage us by reposing their faith and trust in us. Of course, all of this would not be possible without our employees who share our values and are earnestly contributing to Unichem's transformation into a global pharma player.

I remain optimistic about the future and look forward to your support on this continued transformational journey of the "New" Unichem.

Dr. Prakash A. Mody
Chairman & Managing Director
May 24, 2019

Corporate Social Responsibility (CSR)

Sanitation units at Goa, Kolhapur and Baddi

Health checkup conducted at schools in Goa

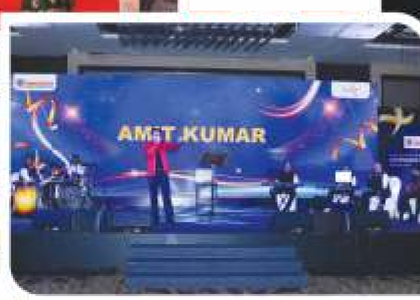
Renovation of Government hospital in Pithampur

Corporate Social Responsibility (CSR)

Educational activities and Infrastructure projects at Goa, Baddi, Roha and Ghaziabad

Tree Plantation and Environment Protection Awareness in Goa

Chairman's Club Awards 2019



Corporate Social Responsibility (CSR)

UNICHEM - TOUCHING LIVES

The thought of giving back to the society is deeply embedded into the DNA of your Company. This DNA always encourages it to channelize its resources towards touching numerous lives. The constant urge to make a difference, inspires your Company to be part of various projects spread across the society, resulting in touching thousands of lives. The initiatives by your Company provide a platform to its employees to volunteer and do their bit for the society. The support and involvement from the leadership team makes it easily possible.

Your Company's CSR activities are focused in the below mentioned sectors:

- Health and Sanitation
- Education and Infrastructure
- Environment

HEALTH AND SANITATION

Sanitation Units

Your Company took a major step towards the welfare of the society in one of the most crucial areas of Health and Sanitation at various locations across India, by building multiple sanitation units.

Kolhapur

In the rural areas of Kolhapur, girls do not have access to education, one of the reasons being the unavailability of sanitation facilities. To solve this issue and to support education, your Company has built and is maintaining toilets for use of 350 children at schools of Kumar Vidyamandir and Kanya Vidyamandir, Talandage situated at the outskirts of the city.

Goa

Your Company has constructed community toilets in a market in Saligao Village. This was supported by the Village Panchayat of Saligao. This market is always flooded with people who come from surrounding areas, as it is the only market available in 6 kms radius. This initiative will help almost 400 to 500 people a day.

Baddi and Ghaziabad

Your Company has constructed many modular toilets in the area in and around Baddi in the past couple of years. This year similar twin modular toilets were constructed and are being maintained in Ghaziabad.

This area also covers government schools and police stations. As a commitment to maintain the facility, water and electricity supply in the toilets is provided by your Company.

Health checkup at Schools in Goa

Health checkup and Awareness program was executed by the Voluntary Health Association of Goa, at the Seminary of Our Lady, Pilerne. The medical camp was conducted exclusively for all students in schools in and around Pilerne and Saligao by Pediatricians, Dermatologists, Ophthalmologists and Dentists from the Goa Medical College and Goa Dental College, making it a self-sustaining initiative. Approximately 2,100 students were covered. Employees also volunteered for this health checkup at the schools.

Renovation of Government Hospital at Pithampur

Under this initiative your Company has renovated the infrastructure and upgraded the facilities in the government hospital at Pithampur. This is aimed to provide better and quality health services and infrastructure to patients. Renovation of labor room, operation theater, pathology lab, 2 OPDs, X-Ray room and postpartum room was completed with air conditioning, wherever required, and with proper electrification and lighting.

Adiwasi Unnati Mandal (AUM)

AUM was founded by the late Shri Amrut Mody along with co-founder the late Shri Shantibhai Sheth in the area of Shahpur Taluka in Thane district. Your Company's Chairman & Managing Director, Dr. Prakash A. Mody, has actively continued this legacy inherited by him with great enthusiasm and vigour. The activities include health checkups, distribution of first aid boxes, eye operations, vision enhancement aids, treatment of diseases like Leprosy etc.

Children of the World (India)

Your Company tied up with Children of the World (India) a non-profit, secular charitable trust. Their residential centre "Vishwabalak Kendra" at Nerul, Navi Mumbai, shelters lost, abandoned or relinquished infants and children, with the aim of placing them within loving and nurturing families. The Centre caters to about 80 children every year. The primary objective of the Child Care Centre is to nurture the children, providing them with a professionally managed loving home, full of care, warmth and an opportunity for physical, emotional and intellectual growth, until they are rehabilitated with suitable adoptive families through legal procedures, at the earliest. Some of these children have special needs.

Your Company's support helped to provide better care and facilities for children who reside at the Child Care Centre.

EDUCATION AND INFRASTRUCTURE

Road development for Village at Roha

Along with the Gram Panchayat of Roha, your Company has taken initiatives to develop the local village road in Roha. This road will help the local people to have better infrastructure.

Goa, Baddi, Roha and Ghaziabad

School benches, bags, stationary kits etc. were distributed to students in government schools across various locations in the country.

School playground was renovated for the school children in Baddi. Swings and children's slides were set up for children to enjoy the playground.

Your Company donated laptops in schools at Roha. This gives the students an opportunity to enter the world of digital education which is the need of the hour.

Your Company took an initiative to renovate government school buildings at Roha and Baddi. These initiatives are providing students and teachers with a conducive educational environment.

Indian Pharmaceutical Association

Your Company provides scholarships to aspiring pharma students for the course spread over four years. These scholarships are provided to students who are inclined towards studies but are not able to afford education. Around 40 students benefited from this initiative.

ENVIRONMENT

Tree plantation and protection awareness at Goa

As part of World Environment Day celebration, your Company distributed saplings to the employees so that they could plant the same in their villages and neighbourhood. A training session was also conducted to educate the employees about environment protection and reducing use of plastic. Your Company along with its employees volunteered in tree plantation at Goa in association with the village panchayat.

Inside This Report

Five-year Financial Highlights (Standalone)

Balance Sheet

(₹ in lakhs)

As at 31st March	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Equity & Liabilities					
Equity share capital	1,815.38	1,816.87	1,817.53	1,406.74	1,407.67
Share Application Money	-	-	-	-	-
Other equity	95,110.04	1,00,898.40	1,11,255.27	2,74,759.86	2,71,785.74
Net worth	**96,925.42**	**1,02,715.27**	**1,13,072.80**	**2,76,166.60**	**2,73,193.41**
Loans & Borrowings	2,099.46	2,766.73	98.91	32.68	-
Creditors & Liabilities	19,207.32	25,539.59	34,672.82	31,132.62	29,079.39
Deferred tax liability	3,932.54	3,131.54	2,449.51	3,429.01	749.57
TOTAL LIABILITIES	**1,22,164.74**	**1,34,153.13**	**1,50,294.04**	**3,10,760.91**	**3,03,022.37**
ASSETS					
Net block	39,586.60	38,119.98	46,795.55	55,484.14	78,881.48
Capital WIP (Including Capital Advances)	12,297.45	24,056.10	24,725.96	23,553.08	9,025.44
NB + CWIP	51,884.05	62,176.08	71,521.51	79,037.22	87,906.92
Investment	15,294.20	11,056.20	8,937.34	97,879.97	1,04,244.83
Current Assets					
Inventories	18,648.31	20,065.54	25,398.41	20,775.60	27,417.85
Trade Receivables	20,632.93	26,473.14	29,649.22	23,174.19	33,134.65
Cash and bank balance	1,971.05	1,094.07	1,016.03	67,360.52	19,102.67
Non Current Assets held for sale				-	87.19
Loans & advances	13,734.20	13,288.10	13,771.53	22,533.41	31,128.26
TOTAL ASSETS	**1,22,164.74**	**1,34,153.13**	**1,50,294.04**	**3,10,760.91**	**3,03,022.37**

Five-year Financial Highlights (Standalone)

Statement of Profit and Loss

(₹ in lakhs)

For the year ended 31st March	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
CONTINUING OPERATIONS					
Revenue From Operations	1,09,895.88	1,23,614.52	57,702.28	66,646.97	96,773.89
Other Income	1,996.77	2,270.87	719.25	6,288.60	10,154.23
Total Income	**1,11,892.65**	**1,25,885.39**	**58,421.53**	**72,935.57**	**1,06,928.12**
Material consumption	30,618.22	32,319.94	25,623.05	34,582.10	44,317.29
Purchase of finished goods	12,934.66	13,752.71		16.11	20.86
Increase/ Decrease in stocks of semi- finished & finished goods	(769.16)	(871.23)	(667.85)	470.21	(3,053.94)
Staff costs (Excluding R&D)	17,804.19	20,959.92	11,768.07	14,653.63	17,755.75
Excise Duty	797.42	1,562.85	95.26	39.34	-
Other expenses	38,352.39	41,662.48	26,685.57	29,996.70	42,949.80
Total expenses	**99,737.72**	**1,09,386.67**	**63,504.10**	**79,758.09**	**1,01,989.76**
PBDIT	**12,154.93**	**16,498.72**	**(5,082.57)**	**(6,822.52)**	**4,938.36**
Finance Cost	236.86	229.16	199.76	316.69	61.71
Impairment loss on financial assets				511.71	863.42
PBDT	**11,918.07**	**16,269.56**	**(5,282.33)**	**(7,650.92)**	**4,013.23**
Depreciation & Amortisation	3,768.30	3,499.12	3,941.13	4,504.12	6,171.25
Profit before tax	**8,149.77**	**12,770.44**	**(9,223.46)**	**(12,155.04)**	**(2,158.02)**
Exceptional & prior period items		353.00			
Current tax	1,811.05	3,175.00	(1,408.08)		
Deferred tax	(101.00)	(806.03)	(262.25)	1,257.90	(2,737.77)
Short / (Excess) provision for tax (earlier years)				(1,271.99)	(124.45)
Profit (Loss) for the period from continuing operations	**6,439.72**	**10,048.47**	**(7,553.13)**	**(12,140.95)**	**704.20**
DISCONTINUED OPERATIONS					
Profit/(loss) from discontinued operations					
A. Profit / (loss) from discontinued operations	-	-	22,383.15	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)	-	-	22,383.15	3,37,089.17	246.96
Tax on discontinued operations	-	-	4,443.30	69,288.37	71.24
Profit/(loss) from discontinued operations (after tax)	**-**	**-**	**17,939.85**	**2,67,800.80**	**175.72**
Profit/(loss) for the year	**-**	**-**	**10,386.72**	**2,55,659.85**	**879.92**
Other Comprehensive Income	-	11.57	(280.53)	(180.08)	(28.49)
Total Comprehensive Income	**6,439.72**	**10,060.04**	**10,106.19**	**2,55,479.77**	**851.43**

Note: Figures for the years 2014-2015 and 2015-2016 include continued and discontinued business.

Key Ratios and EPS

Ast at 31st March	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Debt :Equity Ratio	0.022 : 1	0.027 : 1	0.001:1	0.0001:1	-
Per share Data					
Earnings per equity share (for continuing operations):	7.10	11.06	(8.31)	(13.39)	1.00
Earnings per equity share (for discontinued operations):			19.74	295.27	0.25
Earnings per equity share (for discontinued & continuing operations):	7.10	11.06	11.43	281.88	1.25
Dividend (%)	100%	100%	150%	250%	200%
Dividend (in ₹) per Share	2.00	2.00	3.00	5.00	4.00
Book Value per Share (₹)	104.38	113.07	124.42	392.63	388.15

Notice

NOTICE is hereby given that the 56th Annual General Meeting of the Members of **UNICHEM LABORATORIES LIMITED,** will be held on Saturday, July 27, 2019 at 3:00 p.m. at Rama Watumull Auditorium, Kishinchand Chellaram College (K.C. College), 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon; and
   (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2019 and the report of the Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended March 31, 2019. {The Board of Directors has recommended a dividend of ₹4/- (200%) per Equity Share having a face value of ₹2/- fully paid up.}
3. To appoint a Director in place of Mr. Dilip Kunkolienkar (DIN 02666678) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) a remuneration not exceeding ₹7.50 lakhs (Rupees Seven Lakhs Fifty Thousand 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 March 31, 2020, be and is hereby ratified;

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

By order of the Board of Directors,

For **Unichem Laboratories Limited**

Neema Thakore

Mumbai — Head – Legal & Company Secretary

May 24, 2019 — Membership No.: F3966

Registered Office:

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

Jogeshwari (West), Mumbai – 400 102

NOTES:

1. A statement setting out material facts pursuant to Section 102 (1) of the Companies Act, 2013, (the Act), with respect to the item of Special Business is annexed hereto.
2. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, July 22, 2019 to Saturday, July 27, 2019 (both days inclusive) for the 56th Annual General Meeting (AGM) and payment of Dividend, if declared, at the forthcoming AGM.
3. IN TERMS OF SECTION 105 OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as Proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. A Member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as a Proxy and such a person shall not act as a Proxy for any other person or Shareholder.
4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy form is annexed. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate Resolution/authority as may be applicable.
5. Details of the Director seeking re-appointment at the 56th AGM form an integral part of the Notice and are provided in the statement pursuant to Section 102 of the Act. The Director has furnished the requisite declaration for his re-appointment.
6. Corporate members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the AGM.
7. Members/Proxies are requested to bring their copy of the Annual Report to the Meeting along with duly filled in attendance slips for attending the Meeting.
8. Members seeking any information with regard to the Annual Report are requested to write to the Company at an early date to enable the Company to compile the information and provide replies at the Meeting.
9. An electronic copy of the 56th Annual Report of the Company (including the Notice) *inter alia*, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose e-mail ids are registered with the Company/Depository Participant(s) for communication purposes. For Members other than the above, physical copies of the Annual Report are being sent in the permitted mode.

10. Members may also note that an electronic copy of the 56th Annual Report, including Notice along with Attendance Slip and Proxy Form, will also be available on the Company's website at www.unichemlabs.com. Even after registering for e-communication, Members are entitled to receive free of cost such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send their request to the Company's investor e-mail id: shares@unichemlabs.com.

11. A route map showing directions to reach the venue of the 56th AGM, as per the requirement of the Secretarial Standards-2 on General Meetings is given in this Annual Report.

12. The Company has transferred on due dates, the unpaid or unclaimed dividend declared upto the financial year ended March 31, 2011 to the Investor Education and Protection Fund (IEPF) established by the Central Government. 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 July 28, 2018 (date of previous Annual General Meeting), on the website of the Company www.unichemlabs.com and the website of the Ministry of Corporate Affairs www.iepf.gov.in.

    Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of seven years from the dates they became first due for payment. Any Member, who has not claimed final dividend for the financial year 2011-2012 onwards is requested to approach the Company/the Registrar and Share Transfer Agents of the Company for claiming the same as early as possible, but no later than October 31, 2019. The Company has already sent reminders to all such Members at their registered addresses in this regard.

    During the financial year 2016-2017, the Ministry of Corporate Affairs notified the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("IEPF Rules") and amendments thereto. Pursuant to the provisions of the IEPF Rules read with Section 124 (5) and Section 124 (6) of the Companies Act, 2013, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to demat account of IEPF authority. The Company has uploaded full details of such shareholders and shares transferred to the IEPF suspense account on its website www.unichemlabs.com. Shareholders are requested to refer to https://unichemlabs.com/investor-information/unclaimed-dividend/ to verify the details of unencashed dividends and the shares transferred to the IEPF suspense account.

13. As per Regulation 40 of SEBI Listing Regulations, and SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 read with BSE circular no. list/comp/15/2018-19 dated July 05, 2018 and NSE circular no. NSE/CML/2018/26 dated July 09, 2018 securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of requests received for transmission or transposition of securities. However, Members can continue to hold shares in the physical form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited for assistance in this regard.

14. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, therefore requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in the physical form should submit their PAN to the Registrar/Company.

15. All documents referred to in the accompanying Notice and statement under Section 102 of the Act shall be open for inspection at the Registered Office of the Company from (Monday to Friday) from 11.00 a.m. to 1.00 p.m., up to the date of the AGM.

16. Voting through electronic means:

    (a) In compliance with the provisions of Section 108 of the Act read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide its Shareholders with the facility to exercise their right to vote at the 56th AGM of the Company by 'remote e-voting' (e-voting at a place other than the venue of the AGM). The business may be transacted through remote e-voting services provided by the Central Depository Services Limited (CDSL).

    (b) The facility for voting shall also be made available to those shareholders who are present at the 56th AGM, but have not cast their votes by availing the remote e-voting facility. Members who have exercised their voting through the remote e-voting facility may attend the Meeting but shall not be entitled to cast their vote again at the Meeting.

    (c) The Company has appointed Ms. Ragini Chokshi & Associates, Practicing Company Secretary (C.P.No.1436) as Scrutinizer for conducting the remote e- voting and voting process at the AGM in a fair and transparent manner.

    (d) Instructions to Members for remote e-voting:

        (i) The remote e-voting period begins on Tuesday, July 23, 2019, at 10:00 a.m. (IST) and ends on Friday, July 26, 2019, 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 of Saturday, July 20, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Click on Shareholders

(iv) 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. Members holding shares in Physical Form should enter Folio No. registered with the Company.

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

(vi) 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.

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by the Income-Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth	Enter the Dividend Bank Details or Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the Member id/Folio No. in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

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

(xi) Click on the EVSN for UNICHEM LABORATORIES LIMITED on which you choose to vote.

(xii) 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.

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

(xiv) 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.

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

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

(xvii) If a demat account holder has forgotten the changed 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.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non–Individual Shareholders and Custodians

- 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 as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com

(e) The voting rights of Shareholders shall be in proportion to their share of the paid-up capital of the Company as on the cut-off date, Saturday, July 20, 2019.

(f) The Scrutinizer shall after scrutinizing the votes cast at the AGM (Poll) and through remote e-voting not later than 48 hours from the conclusion of the AGM, make a consolidated Scrutinizer's Report and submit it to the Chairman or any person authorized by the Board. The results declared alongwith the consolidated Scrutinizer's report shall be placed on the website of the Company and of CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company's shares are listed.

(g) 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. Saturday, July 27, 2019.

17. **Brief profile of the Director seeking re-appointment:**

As required by Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the particulars of the Director who is proposed to be re- appointed are given below:

Mr. Dilip Kunkolienkar, aged 68 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 Ltd., Geigy Ltd., Raptakos Brett Co. Ltd., and German Remedies Ltd.

Before his appointment as a Director Technical, Mr. Kunkolienkar served as Vice President – Global Generics & Compliance at the Company with 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 an additional exposure to Bio studies, Product Viabilities, Planning, General Administration, Documentation, Regulatory Audits, Capex/ Revenue budgeting, R & D and API Marketing.

Mr. Kunkolienkar is a member of the Audit Committee of the Company. He is not related to any Director of the Company. He holds 53,038 equity shares of the Company as on March 31, 2019. The number of Board meetings attended by Mr. Kunkolienkar is given in the Corporate Governance Report forming part of this Annual Report.

He also serves as a Director in the Company's Wholly Owned Subsidiaries namely Unichem Pharmaceuticals (USA) Inc., Unichem Laboratories Limited, Ireland and Niche Generics Limited, UK. He also is a Director in Synchron Research Services Pvt. Ltd., a reputed contract research organization.

He is not related to any of the Directors or Key Managerial Personnel of the Company.

The Board of Directors are of the opinion that the knowledge and vast experience of Mr. Kunkolienkar will be of immense benefit to the Company. The Board recommends the Resolution as set out at Item No. 3 for the approval of the Members by way of Ordinary Resolution.

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

Neema Thakore
Head – Legal & Company Secretary
Membership No.: F3966

Mumbai
May 24, 2019

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

Annexure to Notice

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

Item No 4

The Board of Directors at its Meeting held on May 24, 2019, based on the recommendation of the Audit Committee, appointed Kishore Bhatia & Associates, Cost Accountants (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 March 31, 2020, at a remuneration not exceeding ₹7.50 lakhs (Rupees Seven Lakhs Fifty Thousand 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 concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

The Board of Directors recommends the Ordinary Resolution for approval by the Members.

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

Neema Thakore
Head – Legal & Company Secretary
Membership No.: F3966

Mumbai
May 24, 2019

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

AGM Map

ROUTE MAP TO
ANNUAL GENERAL MEETING VENUE

Location:
Rama Watumull Auditorium
Kishinchand Chellaram College
(K. C. College)
124, Dinshaw Wachha Road
Churchgate, Mumbai 400 020

Landmark:
Oval Maidan

Directors' Report

Dear Members,

Your Directors take pleasure in presenting the 56th Annual Report on the business and operations of your Company for the financial year ended March 31, 2019.

Financial Highlights

The table below gives the financial highlights of the Company for the year ended March 31, 2019 on Standalone basis as compared to the previous financial year.

(₹ in lakhs)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Revenue from operations (inclusive of excise duty upto June 2017)	96,773.89	66,646.97
Other Income	10,154.23	6,288.60
Total Income	**106,928.12**	**72,935.57**
Profit/(Loss) before tax	**(2,158.02)**	**(12,155.04)**
Current tax	-	-
Deferred tax	(2,737.77)	1,257.90
Short/(Excess) provision for tax (earlier years)	(124.45)	(1,271.99)
Profit/(Loss) for the year from continuing operations	**704.20**	**(12,140.95)**
Profit/(Loss) from discontinued operations		
A. Profit/(Loss) from discontinued operations	246.96	15,358.12
B. Gain on sale of identified business (net)	-	321,731.05
Profit/(Loss) for the year from discontinued operations (A+B)	**246.96**	**337,089.17**
Tax on discontinued operations	71.24	69,288.37
Profit/(Loss) from discontinued operations (after tax)	**175.72**	**267,800.80**
Profit/(Loss) for the year	**879.92**	**255,659.85**
Total Comprehensive Income	**851.43**	**255,479.77**

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 forms part of this Report. The detailed state of the affairs of the business along with the financial and operational developments have been discussed in the Management Discussion and Analysis Report.

Appropriations

An amount of ₹879.92 lakhs is proposed to be carried forward in the Profit & Loss Account. No amount has been transferred to General Reserve.

Dividend

The Board has recommended a dividend of ₹4/- (200%) per equity share of ₹2/- each for the year ended March 31, 2019 for the approval of the Members at the ensuing Annual General Meeting (AGM). An amount of ₹3,394.16 lakhs would be paid as dividend (including dividend distribution tax). The Register of Members and Share Transfer Books shall remain closed from Monday, July 22, 2019 to Saturday, July 27, 2019 (both days inclusive) for the purpose of AGM and dividend, if approved by the Shareholders. The AGM of the Company is scheduled for Saturday, July 27, 2019. The Company has a dividend distribution policy in place and the same is available on the website of the Company at https://unichemlabs.com/policies-code-of-conduct/dividend-distribution-policy/.

Employees Stock Option Schemes

Scheme 2008

During the year under review, 46,250 options were exercised and 46,250 equity shares of ₹2/- each were allotted (on *pari passu* basis) under the Employees Stock Option Scheme - 2008. As per the requirements of the SEBI (Share Based Employee Benefits) Regulations, 2014, details of stock options exercised during the year under review form part of the Directors' Report and are available on the Company's website at https://unichemlabs.com/investor-information/annual-report/.

Scheme 2018

The Shareholders, vide Special Resolutions dated May 15, 2018, approved the Unichem Employee Stock Option Scheme 2018 (Scheme) for the employees of the Company and its subsidiary company (ies) and setting up of Unichem Employee Welfare Trust (s) for implementing the Scheme. The maximum number of Employee Stock Options that can be granted under the Scheme shall not exceed 52,75,275 (Fifty-Two lakh, Seventy Five thousand Two hundred and Seventy Five), i.e., 7.50% of the issued, subscribed and paid-up equity share capital of the Company as on March 31, 2018 (as adjusted for any corporate action and/or change in the capital structure) at such price or prices and such other terms and conditions as may be determined by the Board or the Nomination and Remuneration Committee from time to time. The Company has received in principle approval from the Stock Exchanges where the Company's shares are listed.

During the year under review, 16,88,064 Stock Options were granted to the Senior Management under the Employee Stock Option Scheme 2018. In terms of the requirements specified under the SEBI (Share Based Employee Benefits) Regulations, 2014, details of the Employee Stock Option Scheme 2018, form part of the Directors' Report, and are available on the Company's website at https://unichemlabs.com/investor-information/annual-report/.

Research and Development (R&D)

Kindly refer to the write up in the section, Management Discussion and Analysis.

Corporate Governance

A detailed report on Corporate Governance as required under Regulation 34 of the Listing Regulations, forms part of this Annual Report. The Auditors' Certificate on compliance with the conditions of Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

Consolidated Financial Statements

The Annual Audited Consolidated Financial Statements together with the Report of the Auditors' thereon, forms part of this Annual Report.

Review of Subsidiaries and Associates

Your Company has five Subsidiaries and one Associate Company. A statement containing salient features of the Financial Statements of the Subsidiaries and Associate Company, pursuant to Section 129 of the Companies Act, 2013 (the Act), and Rules made thereunder, is annexed to this Report as Annexure A in the prescribed Form AOC -1 and hence not repeated here for the sake of brevity.

Synchron Research Services Pvt. Ltd. (Synchron) is an Associate Company in terms of Section 2 (6) of the Act. Synchron is a leading contract research organization in India which offers competitive and high-quality clinical trial services to domestic and international pharmaceutical and bio-pharmaceutical companies. Your Company avails such services from Synchron from time to time.

On internal assessment of long term strategic investments made by the Company in its Wholly Owned Subsidiary, Unichem Farmaceutica Do Brasil Ltda., considering its past performance, results, assets, expected cash flows, projections and having confidence in the business model and strategy of the said Subsidiary achieving its goals given favourable business opportunities, the management has determined an amount of ₹302.83 lakhs as diminution for the year (previous year ₹511.71 lakhs). This has resulted in an aggregate impairment loss of ₹7,086.72 lakhs (previous year ₹6,783.89 lakhs) on total investment of ₹7,086.72 lakhs (previous year ₹6,783.89 lakhs) made therein.

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

The Company has formulated a policy on Risk Management. Risks are classified in different categories such as Financial, Operational, Legal and Strategic risks. A risk register is prepared for identification of risk and formulating mitigation plans.

Directors and Key Managerial Personnel

During the year under review Dr. Prakash A. Mody (DIN 00001285) was re-appointed Chairman & Managing Director for a period of three years w.e.f. July 1, 2018 to June 30, 2021. Mr. Dilip Kunkolienkar (DIN 02666678) was appointed whole time Director, designated as Director Technical for a period of three years w.e.f. April 1, 2018 to March 31, 2021. Mr. Prafull Anubhai (DIN 00040837), Mr. Prafull Sheth (DIN 00184581) and Mr. Anand Mahajan (DIN 00066320) were appointed as Independent Directors for a second term of five consecutive years w.e.f. April 1, 2019 up to March 31, 2024.

Mr. Ramdas Gandhi (DIN 00029437), Independent Director, resigned w.e.f. May 29, 2018 due to advanced age. The Board places on record its deep appreciation for the services rendered by Mr. Ramdas Gandhi during his tenure with the Company.

Mr. Dilip Kunkolienkar, Director Technical retires by rotation and being eligible has offered himself for re-appointment. The Board has recommended his re-appointment for consideration of the shareholders at the 56th AGM.

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. All Independent Directors have given declarations stating compliance with the Company's Code of Ethics and Business Conduct.

Mr. Rakesh Parikh, Chief Financial Officer of the Company superannuated from the services of the Company on August 31, 2018. Mr. Sandip Ghume was appointed as Deputy Chief Financial Officer w.e.f. October 30, 2018.

In terms of Section 203 of the Companies Act, 2013, Dr. Prakash A. Mody, Chairman & Managing Director, Mr. Dilip Kunkolienkar, Director Technical, Ms. Neema Thakore, Head-

Legal & Company Secretary and Mr. Sandip Ghume, Deputy Chief Financial Officer are the Key Managerial Personnel of the Company.

Directors' Responsibility Statement

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

1. that in preparation of annual accounts for the year ended March 31, 2019, 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 March 31, 2019 and profit / loss for the year ended on that date;
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 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 Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, performance evaluation of the Board, its Committees, the Chairman & Managing Director and the Independent Directors was carried out. The manner in which the evaluation is carried out has been explained in the Corporate Governance Report.

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 details of this Policy are given hereunder. The policy is available on the Company's website at https://unichemlabs.com/nomination-and-remunerationpolicy/.

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 and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company. 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 component) to its Managing Director. A proper balance between fixed and variable component 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 Director is determined keeping in view the industry benchmark and the relative performance of the Company compared to the industry performance. The Company pays remuneration by way of salary, perquisites and allowances to its Whole Time Director.

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 dividend on equity shares, if any, held by the Directors, no other remuneration is paid to the Non-Executive Directors. The Nomination and Remuneration Committee may recommend to the Board, the payment of commission taking into account the evaluation of the performance of the Directors.

Key Managerial Personnel (KMP) and other Employees

The remuneration of KMP other than the Whole Time Director 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.

Meetings

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

Board Committees

The constitution of the Board Committees, their scope, role and terms of reference are as per the provisions of the Act, the Rules made thereunder and the Listing Regulations. All the recommendations made by the Audit Committee were accepted by the Board of Directors. The constitution of the Board Committees is provided in the Corporate Governance Report.

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 also direct access to the Audit Committee. The e-mail id for reporting genuine concerns is whistleblower@unichemlabs.com.

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, the Board of Directors would like to inform that on July 9, 2014, the European Commission 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 have acted in breach of EU competition law as Niche had, in early 2005 (when the Company was only a part owner and financial investor in Niche) agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company and Niche had submitted appeals in September 2014, to the EU General Court seeking appropriate relief in the matter.

The General Court of the European Union has on December 12, 2018 rejected the appeal and confirmed the fine of Euro 13.96 million imposed by the European Commission jointly and severally on the Company and its subsidiary, Niche. The Company has filed an appeal against the decision of the General Court before the Court of Justice of the European Union. The Company awaits the outcome of the appeal.

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

There 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. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and the weblink is provided in the Corporate Governance Report.

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 B to this Report.

Except to the extent of the shares held in the Company and the remuneration if any, 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 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 enquiry 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 ICC received one complaint during the year under review. As on date the same has been redressed in terms of the Policy.

Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014, N.A. Shah Associates LLP (Firm Registration No. 116560W/W100149), Chartered Accountants, were appointed as Statutory Auditors of the Company, to hold office from the conclusion of 54th Annual General Meeting (AGM) until the conclusion of 59th AGM, subject to ratification by Shareholders at every subsequent AGM.

The provisions of Section 139 of the Act were amended and notified with effect from May 7, 2018. In terms of the said amendment, appointment of the Auditors is no longer required to be ratified by the Members at every subsequent AGM. In view of this, no resolution is proposed for ratification of the appointment of the Auditors at the ensuing AGM.

N.A. Shah Associates LLP, (Firm Registration No. 116560W/W100149), Chartered Accountants, have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

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 Board of Directors at its Meeting held on May 24, 2019, 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 2019-2020 at a remuneration not exceeding ₹7.50 lakhs (Rupees Seven Lakhs Fifty Thousand 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 the 56th AGM. The Cost Audit Report for the year ended March 31, 2018 was filed with the Ministry of Corporate Affairs on August 24, 2018.

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 Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure C 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 applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

Internal control systems and their adequacy

Kindly refer to the write up in the section, Management Discussion and Analysis.

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 D to this Report.

Dividend Distribution Policy

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

Extract of Annual Return

Form MGT-9, providing an extract of the Annual Return in terms of Section 92 of the Act and the Rules made thereunder, forms part of this Report as Annexure E and the same is available on the website of the Company at https://unichemlabs.com/investor-information/annual_report.

Particulars of Employees and related disclosures

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Act and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, are annexed as Annexure F 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 the Director's 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, which is available for inspection at the Registered Office of the Company as per details mentioned in the Notice of the 56th AGM. Any Member interested in obtaining a copy of the same may write to the Company Secretary at the Company's Registered Office.

Human Resources and Employee Relations

Kindly refer to the write up in the section, Management Discussion and Analysis.

Quality and Environment

Your Company's mission envisages a strong sense of commitment to work by being a caring pharmaceutical company, which will continuously strive to enhance health through quality products. Your Company aims at consistently providing products that meet customer needs as well as national and international regulatory requirements, as may be applicable. Your Company has been steadily raising the bar, setting higher goals for incremental performance and enlarging the scope of its initiatives. The environmental policy of your Company emphasizes being a caring Company, which shall protect and promote the environment by complying with applicable environmental regulations and preventing pollution in all its operations.

Various initiatives are taken at your Company's manufacturing locations to reduce waste across the plants and reduce usage of paper by recycling wastepaper. Training programs are organized from time to time to create environmental awareness amongst the employees. To conserve water, your Company has devised various water saving methods which are monitored on a day to day basis.

Your Company continues to strive for energy saving and conservation of natural resources. In all its Active Pharmaceutical Ingredient (API) plants, your Company has installed online effluent monitoring equipment which is connected to the system of the Central Pollution Control Board.

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.

Corporate Social Responsibility (CSR)

Your Company believes in the philosophy of giving back. Being in the pharmaceutical industry your Company's primary focus is healthcare. Education, sanitation, protection of environment, general welfare and development are the other areas in which your Company concentrates its CSR activities. While the focus of CSR efforts will be in the areas around the Company's locations, the Company may also undertake projects looking into other societal needs in compliance with Schedule VII to the Act. 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 Act, is annexed as Annexure G to this Report.

During the year under review, the total amount to be spent on CSR was ₹226.91 lakhs. The Company spent ₹156.51 lakhs which is 1.37 % of the average profits for the last three financial years. Balance amount of ₹70.40 lakhs remained unspent.

The Company could not spend the balance amount since it is in the process of identifying appropriate CSR programs/projects in line with its CSR policy. Further, certain funds even though allocated to approved educational and health projects by the CSR Committee were not disbursed during the year under review since implementation of the projects were delayed or there was no requirement for these funds from the respective organizations/institutions.

The Company plans to scale up its CSR activities in areas of education, health, environment protection, sanitation, general welfare and development activities in a structured manner to meet the objectives of its CSR policy in the coming years.

Business Responsibility Report

Regulation 34 (2) of the Listing Regulations, *inter alia*, provides that the Annual Report of the Top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year), shall include a Business Responsibility Report ("BRR"). Since your Company, does not feature in the Top 500 listed entities as per market capitalization as on March 31, 2019, the Business Responsibility Report for the financial year 2018-2019 does not form a part of this Annual Report.

Health and Safety

Health and Safety issues are addressed systematically, effectively and proactively. Your Company takes pride in providing various forms of medical assistance to the families of its employees. Periodic health check-ups are carried out for all employees and regular training programs are organized on safety and precautionary measures. Firefighting training programs and first aid training camps are organized regularly to educate workers and employees at the plant locations and corporate office.

Acknowledgement

Your Directors acknowledge the support and wise counsel extended to the Company by analysts, bankers, Government agencies, shareholders, investors, suppliers, distributors, employees 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 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 and pricing in the Company's principle markets, changes in Government regulations, tax regimes, economic developments within India and 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

Mumbai — Chairman & Managing Director

May 24, 2019 — (DIN 00001285)

Annexure A to Directors' Report

FORM AOC - 1

Pursuant to the first proviso to Sub-Section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A" : Subsidiaries

(₹ in lakhs)

1	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
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 2018 to March, 2019	April 2018 to March, 2019	April 2018 to March, 2019	April 2018 to March, 2019	April 2018 to March, 2019
3	Reporting currency	BRL	EURO	USD	GBP	SAR
4	Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	1 BRL = ₹17.51	1 EURO = ₹77.55	1 USD = ₹69.10	1 GBP = ₹90.33	1 SAR = ₹4.63
5	Share Capital	5,276.41	1,318.35	4,475.58	3,726.11	8.80
6	Reserves & surplus	(5,227.22)	(1,649.96)	1,108.08	(7,583.54)	4.68
7	Total Assets	1,158.96	1,035.78	39,251.40	5,347.64	325.54
8	Total Liabilities	1,109.78	1,367.39	33,667.14	9,205.07	312.07
9	Investments	-	-	-	-	-
10	Turnover	1,677.15	532.20	63,640.56	8,176.28	629.85
11	Profit/ (Loss) before Taxation	(615.50)	(299.40)	2,538.35	(1,386.88)	28.79
12	Provision for Taxation	-	-	792.72	-	8.12
13	Profit/ (Loss) after Taxation	(615.50)	(299.40)	1,745.63	(1,386.88)	20.67
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
15	% of share holding	100	100	100	100	100

Notes:
1. Name of Subsidiaries which are yet to commence operations : None
2. Names of Subsidiaries which have been liquidated or sold during the year: 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. 5 to 8 are given based on the exchange rates as on 31st March, 2019 and the Indian rupee equivalents of the figures in serial no. 10 to 13 are given based on the yearly average exchange rates.

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 Company	Synchron Research Services Private Limited
2	Latest audited Balance Sheet Date	31st March, 2018
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	₹114.59 lakhs
7	Profit/Loss for the year: i. Considered in Consolidation (as per unaudited financial statements for FY 2018-19) ii. Not considered in Consolidation	 ₹6.52 lakhs NA

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

Neema Thakore
Head - Legal & Company Secretary

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

Dilip Kunkolienkar
Director-Technical
DIN No.:02666678

Mumbai
24th May, 2019

Annexure B 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

Disclosure of particulars of contract/arrangement entered into 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 arms length basis

a) Name of Related Party and nature of relationship	**Ms. Supriya Mody, daughter of Dr. Prakash A. Mody, Chairman & Managing Director**
Nature of contract/arrangement /transaction	Increase in remuneration payable to Ms. Supriya Mody already holding office or place of profit in the Company under Section 188 (1) (f) of the Companies Act, 2013.
Duration of the contract/arrangement/transaction	Ongoing
Salient terms of the contract or arrangement or transaction including the value, if any	Increase in remuneration payable to Ms. Supriya Mody, upto to a sum not exceeding ₹65 lakhs (Rupees Sixty Five Lakhs Only) in a financial year starting from April 1, 2015 inclusive of perquisites ("Maximum Remuneration").
Justification of entering into such contract or arrangement or transaction	Ms. Supriya Mody holds an MBA degree from London Business School and Bachelor's degree in Business Administration from the Ross School of Business, USA. She also holds Post Graduate Certificate in Financial Markets Module from Association of Mutual Funds of India. Prior to joining Unichem Laboratories Limited, she has rich experience and successful career behind her having worked in organizations like Merrill Lynch, Tower Capital & Securities Private Limited and ASK Raymond James Securities (I) Private Limited. Ms. Mody is currently working as Business Head-ACASIA. Her present role is crucial to provide impetus to the expanding International Business in the emerging market business of the Company. She is focusing on tapping the potential markets and reports to the Chairman & Managing Director. The said transaction is in the ordinary course of business, but not on arms length basis.
Date of approval by the Board	May 9, 2015
Amount paid as advances, if any	Nil
Date on which the Ordinary Resolution was passed	July 11, 2015

b) Name of Related Party and nature of relationship	**Synchron Research Services Pvt. Ltd. (Synchron) Associate Company of Unichem Laboratories Limited**
Nature of contract/arrangement /transaction	Leasing of Unichem's premises located at Rituraj, Moje Bodakdev, Taluka Ahmedabad to Synchron
Duration of the contract/arrangement/transaction	February 1, 2019 to January 31, 2021
Salient terms of the contract or arrangement or transaction including the value, if any	Rent of ₹3,66,025/- p.m. for the period from February 1, 2019 to January 31, 2020 and ₹3,84,326/- p.m. from February 1, 2020 to January 31, 2021 with a security deposit of ₹7.50 lakhs.
Justification of entering into such contract or arrangement or transaction	Synchron is a leading contract research organization in India which offers competitive and high-quality clinical trial services to domestic and international pharmaceutical and bio-pharmaceutical companies. Your Company avails such services from Synchron from time to time. This Related Party Transaction is on arms length basis but is not in the ordinary course of business.
Date of approval by the Board	February 1, 2019
Amount paid as advances, if any	Nil
Date on which the Ordinary Resolution was passed	Not Applicable (Does not exceed the limits specified under Section 188 (1) of the Companies Act, 2013 and the Rules made thereunder).

2. Details of material contract or arrangement or transaction on arms length basis

The details of material contract or arrangement or transaction on arms length basis for the year ended March 31, 2019 are as follows:

Name of Related Party and nature of relationship	**Unichem Pharmaceuticals (USA) Inc., a Wholly Owned Subsidiary (WOS) of the Company**
Nature of contract/arrangement/transaction	Sale of finished goods
Duration of the contract/arrangement/transaction	Ongoing
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 2018-2019 was ₹49,778.30 lakhs. These transactions were on arms length basis and in the ordinary course of business.
Date of approval by the Board	Not Applicable (Exempt under Section 188 (1) of the Companies Act, 2013 and the Rules made thereunder).
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
May 24, 2019

Annexure C to Directors' Report

Form No. MR 3
Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,
The Members
Unichem Laboratories Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Unichem Laboratories Limited (CIN: L99999MH1962PLC012451) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms, returns filed and other records maintained by the Company and also 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 March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and 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 March 31, 2019 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
   (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
   (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable;
   (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - Not applicable;
   (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016 - Not applicable;
   (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable;
   (j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Not applicable

(vi) Based on the representation made by the management of the Company, the following Laws were/are specifically applicable to the Company:
   1. Drugs and Cosmetics Act, 1940 and related Rules
   2. Drugs Pricing Control Order, 2013
   3. The Pharmacy Act, 1948
   4. 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
   8. Food Safety and Standards Act, 2006
   9. Research and Development Cess Act, 1986
   10. Legal Metrology Act, 2009

The Company has complied with above mentioned 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 respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards etc. as mentioned above and there are no non-compliances that have come to our knowledge.

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 Board Meetings. Agenda and detailed notes on agenda were sent atleast 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 have not identified any dissent by members of the Board hence we have no reason to believe that the decisions by the Board were not approved by all the Directors present.

We further report that based on review of compliance mechanism established by the Company and on the basis of the compliance certificates issued by the Company Secretary and the various functional heads and taken on record by the Board of Directors at their Meeting(s), we are of the opinion that the Company has adequate systems and processes commensurate with its size of operations, to monitor and ensure compliance with all applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period the following event/action has taken place, having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines and Standards:

1. Approval of shareholders was obtained through Postal Ballot on May 15, 2018 to create, grant, offer, issue and allot 52,75,275 (Fifty two lakh, seventy five thousand and two hundred and seventy five) Stock Options, i.e., 7.50% of the issued, subscribed and paid-up equity share capital of the Company under the Unichem Employee Stock Option Scheme 2018 (Scheme) for the employees of the Company and of its subsidiary company (ies) and setting up Unichem Employee Welfare Trust(s) for implementing the Scheme.
2. On July 9, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd ("Niche") contending that they had acted in breach of EU competition law as Niche Generics Ltd had, in early 2005 (when the Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company and Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated December 12, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, has filed an appeal against the decision of General Court before the Court of Justice of the EU and outcome of the appeal is awaited. Considering the above, in view of the management, no provision for the aforesaid fine is considered necessary. Based on above, fine imposed by the EU of Euro 13.96 million (equivalent to ₹10,890.20 lakhs) is disclosed by the Company under contingent liability in the current year.

For ALWYN JAY & CO.,
Company Secretaries

Mumbai
May 24, 2019

Jay D'Souza
F3058
Certificate of Practice No. 6915

Annexure D to Directors' Report

a. Conservation of Energy

(i) Steps and impact:

- Replacement of Conventional lights with LED lights
- Maintaining the power factor at 0.99 to avail rebate on electricity bill
- Arrested leakages in utility lines like steam, water and compressed air
- External chemical cleaning of chilled and hot water coils for better heat transfer and to avoid losses
- During winter season the ambient condition is used to minimize the running hours of the chillers
- Installation of new energy efficient centrifugal chiller
- Replacement of old non energy efficient Air Handling Units (AHU) with double skin insulated AHUs with Variable Frequency Drive (VFD)
- Replaced the PVC fills of cooling towers to improve the efficiency of cooling tower thereby achieving the desired temperature in peak season
- Rainwater harvesting commissioned at plants
- RO reject water used in washroom and toilets flushing
- VFD installed in cooling tower to ramp up and down the motor speed as per condenser temperature of cooling water
- Installation of VFD in air compressor condenser water pumps

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

- Converted Furnace oil operated boilers to gas fired boilers by installing gas train at Pithampur
- Installed new FO operated IBR boiler in place of High-Speed Diesel operated baby boilers at Goa

(iii) Capital investment on energy conservation equipment: ₹351.26 lakhs

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 technology transfer exercise.

In addition, Quality by Design (QbD) trials are performed in these laboratories to define the design space within which the process can be safely scaled up and operated in the Plants.

The R&D efforts streamlined by effective Project Management coupled with dedicated Pilot Plant facilities across API and Formulation plants have seen ramping up of the output from R&D resulting in increased number of DMF, Dossier and Abbreviated New Drug Application (ANDA) filings in regulated markets.

(ii) Benefits derived:

- Launching of new products at the right time in International as well as Domestic markets in various therapeutic segments
- Approval of first ANDA under Para IV certification by the USFDA
- Successful filing of "First To File ANDA" with Paragraph IV certification, on NCE-1 date
- Products developed for the International market will result in increased business to the Company in current and future years
- Reduction in the number of regulatory queries leading to speedy approvals
- R&D in biotechnology has resulted in consistent and cost-effective processes for four Biosimilar products
- Biosimilar and fermentation-based products under development for Indian and International markets will result into new business opportunities for the Company in the biotechnology sector in future years
- Leveraging recombinant enzyme technology to carry out some of the chemical transformations like stereo specific reduction, stereo specific reductive amination leading to substantial raw material cost savings and greener technologies
- Filing of patent applications
- Established Complex generics development facility for development and filing of high value niche products
- Bio study success rate improved substantially with help of In-house technical expertise and In-vivo-In-vitro correlation tools
- Injectable Product Development initiated to diversify product portfolio

(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 ₹18,088.64 lakhs (includes capital and recurring expenses) towards Research and Development.

c. Foreign Exchange Earnings and Outgo (₹ in lakhs)

Foreign exchange earnings (FOB)	81,879.79
Foreign exchange outgo	5,960.45

For and on behalf of the Board of Directors,

Mumbai
May 24, 2019

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

Annexure E to Directors' Report

FORM NO. MGT 9 -Extract of Annual Return for the financial year ended March 31, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014

I Registration and other details

I	CIN	L99999MH1962PLC012451
ii	Registration Date	August 22, 1962
iii	Name of the Company	Unichem Laboratories Limited
iv	Category/Sub-category of the Company	Public Company, Company having share capital
v	Address of the Registered Office and contact details	Unichem Bhavan, Prabhat Estate, Off S.V. Road, Jogeshwari (West), Mumbai - 400 102 E-mail Id.: shares@unichemlabs.com Website: www.unichemlabs.com Tel.: (022) 6688 8333 • Fax.: (022) 2678 4391
vi	Whether listed company	Yes
vii	Name, address and contact details of the Registrar and Transfer Agent, if any.	Link Intime Private Limited, C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083 E-mail ID.: mumbai@linkintime.co.in Tel.: (022) 4918 6000 • Fax.: (022) 4918 6060

II Principal Business Activities of the Company

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Pharmaceuticals	21001 and 21002	100

III Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Niche Generics Limited, UK The Cam Center, Wilbury Way Hitchin, Herfordshire SG4 OTW, England	Not Applicable	Subsidiary	100	2(87)
2	Unichem Farmaceutica Do Brasil Ltda., Brazil Avenida Sete De Setembro 1564, Centro Vila Dirce Diadema, CEP -09912-010 São Paulo - Brazil	Not Applicable	Subsidiary	100	2(87)
3	Unichem Laboratories Limited, Ireland Studio 8b, Ard Gaoithe Commercial Centre Ard Gaoithe Business Park Cashel Road, Clonmel, County Tipperary, Ireland	Not Applicable	Subsidiary	100	2(87)
4	Unichem Pharmaceuticals (USA) Inc. One Tower Centre Blvd, Suite 2200 East Brunswick, NJ 08816, USA	Not Applicable	Subsidiary	100	2(87)
5	Unichem SA (Pty) Limited, South Africa San Domenico, Ground Floor, Unit G4, 10, Church Street, Durbanville 7551, Capetown, South Africa	Not Applicable	Subsidiary	100	2(87)
6	Synchron Research Services Private Limited Synchron House, B/H. Mondeal Park Near Gurudwara, S.G. Highway, Ahmedabad	U85110GJ1998PTC034181	Associate	32.11	2 (6)

IV Shareholding Pattern (equity share capital breakup as percentage of total equity)

(i) Category wise shareholders

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2018)				No. of Shares held at the end of the year (March 31, 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3,56,42,664	-	3,56,42,664	50.67	3,56,42,664	-	3,56,42,664	50.64	(0.03)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**3,56,42,664**	**-**	**3,56,42,664**	**50.67**	**3,56,42,664**	**-**	**3,56,42,664**	**50.64**	**(0.03)**
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A)=(A)(1)+(A)(2)	**3,56,42,664**	**-**	**3,56,42,664**	**50.67**	**3,56,42,664**	**-**	**3,56,42,664**	**50.64**	**(0.03)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	17,86,783	-	17,86,783	2.54	38,88,262	-	38,88,262	5.52	2.98
b) Banks/FIs	39,098	500	39,598	0.06	89,175	500	89,675	0.13	0.07
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Alternate Investment Funds	8,97,442	-	-		8,14,806	-	8,14,806	1.16	(0.12)
f) Insurance Companies	13,99,483	-	13,99,483	1.99	3,26,789	-	3,26,789	0.46	(1.53)
g) FIIs/FPIs	37,53,284	500	37,53,784	5.34	15,00,258	-	15,00,258	2.13	(3.20)
h) Foreign Venture Capital Funds	-	-	-	-		-	-	-	-
i) Others (specify)									
- Foreign Mutual Fund	47,924	-	47,924	0.07	-	-	-	-	(0.07)
- Foreign Bank	500	-	500	-	500	-	500	-	-
Sub-total (B)(1)	**79,24,514**	**1,000**	**79,25,514**	**11.28**	**66,19,290**	**500**	**66,20,290**	**9.41**	**(1.86)**
2. Central Government/State Government(s)/President of India									
Central/State Government(s)	4,96,532	-	4,96,532	0.71	5,00,741	-	5,00,741	0.84	0.13
Sub-total (B)(2)	**4,96,532**	**-**	**4,96,532**	**0.71**	**5,00,741**	**-**	**5,00,741**	**0.84**	**0.13**
3. Non-Institutions									
a) Bodies Corporate									
i) Indian	38,58,847	80	38,58,927	5.49	40,16,822	80	40,16,902	5.71	0.22
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1,61,97,411	17,13,706	1,79,11,117	25.46	1,65,30,208	13,70,317	1,79,00,525	25.43	(0.03)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	14,48,355	7,77,665	22,26,020	3.16	25,30,837	7,21,665	32,52,502	4.49	1.33
c) NBFCs registered with RBI	-	-	-	-	17,453	-	17,453	0.02	0.02
d) Others (specify)									
- Non Resident Indians	7,06,461	2,000	7,08,461	1.01	8,35,037	2,000	8,37,037	1.19	0.18
- Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
- Foreign Nationals	6,646	-	6,646	0.01	4,646	-	4,646	0.01	-
- Clearing Members	2,83,854	-	2,83,854	0.40	1,23,697	-	1,23,697	0.18	(0.23)
- Trusts	6,756	57,600	64,356	0.09	4,736	57,600	62,336	0.09	-
- Market Maker	1,671	-	1,671	-	2,256	-	2,256	-	-
- Hindu Undivided Family	12,11,238	-	12,11,238	1.72	14,02,181	-	14,02,181	1.99	0.27
Sub-total (B)(3)	**2,37,21,239**	**25,51,051**	**2,62,72,290**	**37.35**	**2,54,67,893**	**21,51,662**	**2,76,19,555**	**39.11**	**1.76**
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**3,21,42,285**	**25,51,051**	**3,46,94,336**	**49.33**	**3,25,87,924**	**21,52,662**	**3,47,40,586**	**49.36**	**0.03**
Total (A)+(B)	**6,77,84,949**	**25,51,051**	**7,03,37,000**	**100.00**	**6,82,30,588**	**21,52,662**	**7,03,83,250**	**100.00**	
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**6,77,84,949**	**25,51,051**	**7,03,37,000**	**100.00**	**6,82,30,588**	**21,52,662**	**7,03,83,250**	**100.00**	

Note : % of total shares of the Company is based on the paid-up Capital of the Company at the end of the year.

(ii) Share holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2018)			Shareholding at the end of the year (March 31, 2019)			% change in share holding during the year
		No of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Dr. Prakash A. Mody	3,24,19,392	46.09	-	3,24,19,392	46.06	-	(0.03)
2	Mrs. Anita Mody	13,23,400	1.88	-	13,23,400	1.88	-	-
3	Ms. Suparna Mody	9,49,936	1.35	-	9,49,936	1.35	-	-
4	Ms. Supriya Mody	9,49,936	1.35	-	9,49,936	1.35	-	-
	Total	**3,56,42,664**	**50.67**	**-**	**3,56,42,664**	**50.64**	**-**	**(0.03)**

(iii) Change in Promoters' shareholding

	Particulars	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year (March 31, 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	3,56,42,664	50.67	3,56,42,664	50.64
	Changes during the year *	-	-	-	-
	At the end of the year	3,56,42,664	50.67	3,56,42,664	50.64

* The change in % of total shareholding of the Promoter and the Promoter group from 50.67 % to 50.64% is due to ESOP allotment of 46,250 equity shares during the financial year 2018-2019 under the ESOP Scheme 2008.

(iv) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year (March 31, 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	HDFC Small Cap Fund				
	At the beginning of the year	6,80,390	0.97	6,80,390	0.97
	Changes during the year	21,50,688	3.06	28,31,078	4.02
	At the end of the year	-	-	28,31,078	4.02
2	Shanghvi Finance Pvt. Ltd.				
	At the beginning of the year	-	-	-	-
	Changes during the year	11,60,999	1.65	11,60,999	1.65
	At the end of the year	-	-	11,60,999	1.65
3	DSP AIF Pharma Fund				
	At the beginning of the year	7,97,695	1.13	7,97,695	1.13
	Changes during the year	17,111	0.03	8,14,806	1.16
	At the end of the year	-	-	8,14,806	1.16
4	ICICI Prudential Midcap Fund				
	At the beginning of the year	10,71,446	1.52	10,71,446	1.52
	Changes during the year	(3,92,375)	(0.56)	6,79,071	0.96
	At the end of the year	-	-	6,79,071	0.96
5	Ajit Vishnu Shirodkar				
	At the beginning of the year	6,68,125	0.95	6,68,125	0.95
	Changes during the year	-	-	-	-
	At the end of the year	-	-	6,68,125	0.95
6	Investor Education & Protection Fund Authority Ministry of Corporate Affairs				
	At the beginning of the year	4,96,532	0.71	4,96,532	0.71
	Shares transferred to the IEPF Account during the year	4,209	0.00	5,00,741	0.71
	At the end of the year	-	-	5,00,741	0.71
7	DSP Healthcare Fund				
	At the beginning of the year	-	-	-	-
	Changes during the year	3,77,613	0.54	3,77,613	0.54
	At the end of the year	-	-	3,77,613	0.54

Sr. No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year (March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Dimensional Emerging Markets Value Fund				
	At the beginning of the year	3,07,448	0.44	3,07,448	0.44
	Changes during the year	52,073	0.07	3,59,521	0.51
	At the end of the year	-	-	3,59,521	0.51
9	Mehul Shah				
	At the beginning of the year	-	-	-	-
	Changes during the year	3,50,000	0.50	3,50,000	0.50
	At the end of the year	-	-	3,50,000	0.50
10	Blue Sky Consulting LLP				
	At the beginning of the year	-	-	-	-
	Changes during the year	3,25,100	0.46	3,25,100	0.46
	At the end of the year	-	-	3,25,100	0.46
11	*Family Investment Private Limited				
	At the beginning of the year	8,98,026	1.28	8,98,026	1.28
	Changes during the year	(6,20,704)	(0.88)	2,77,322	0.39
	At the end of the year	-	-	2,77,322	0.39
12	*Government Pension Fund Global				
	At the beginning of the year	18,63,796	2.65	18,63,796	2.65
	Changes during the year	(18,63,796)	(2.65)	-	-
	At the end of the year	-	-	-	-
13	*General Insurance Corporation of India				
	At the beginning of the year	10,72,694	1.52	10,72,694	1.52
	Changes during the year	(10,72,694)	(1.52)	-	-
	At the end of the year	-	-	-	-
14	*Alrox Investment and Finance Pvt. Ltd.				
	At the beginning of the year	9,97,437	1.42	9,97,437	1.42
	Changes during the year	(9,97,437)	(1.42)	-	-
	At the end of the year	-	-	-	-
15	*Airborne Investment and Finance Pvt. Ltd.				
	At the beginning of the year	7,17,568	1.02	7,17,568	1.02
	Changes during the year	(7,17,568)	(1.02)	-	-
	At the end of the year	-	-	-	-

*Ceased to be in Top 10 shareholders as on March 31, 2019. The same are reflected above since the shareholders were one of the Top 10 shareholders as on April 1, 2018.

Notes
a. The details of holding have been clubbed based on PAN.
b. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year (March 31, 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Dr. Prakash A. Mody				
	At the beginning of the year	3,24,19,392	46.09	3,24,19,392	46.06
	Changes during the year	-	-	-	-
	At the end of the year	-	-	3,24,19,392	46.06
2	Mr. Prafull Anubhai				
	At the beginning of the year	782	0.00	782	0.00
	Changes during the year	-	-	-	-
	At the end of the year	-	-	782	0.00
3	Mr. Prafull Sheth				
	At the beginning of the year	7,500	0.01	7,500	0.01
	Changes during the year	-	-	-	-
	At the end of the year	-	-	7,500	0.01
4	Mr. Anand Mahajan				
	At the beginning of the year	15,029	0.02	15,029	0.02
	Changes during the year	-	-	-	-
	At the end of the year	-	-	15,029	0.02
5	Dr. (Mrs.) B. Kinnera Murthy	-	-	-	-
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-

Sr. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year (March 31, 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	Mr. Dilip Kunkolienkar				
	At the beginning of the year	50,047	0.07	50,047	0.07
	Changes during the year:				
	Shares sold during the year	15,759	0.02	34,288	0.05
	Allotment of shares pursuant to ESOP 2008	18,750	0.03	53,038	0.08
	At the end of the year	-	-	53,038	0.08
7	*Mr. Ramdas Gandhi				
	At the beginning of the year	16,532	0.02	16,532	0.02
	Changes during the year	-	-	-	-
	At the end of the year	-	-	16,532	0.02
8	**Mr. Rakesh Parikh				
	At the beginning of the year	44,757	0.06	44,757	0.06
	Changes during the year:				
	Allotment of shares pursuant to ESOP 2008	27,500	0.04	72,257	0.10
	At the end of the year	-	-	72,257	0.10
9	Mr. Sandip Ghume (Deputy Chief Financial Officer)	-	-	-	-
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
10	Mrs. Neema Thakore (Head - Legal & Company Secretary)	-	-	-	-
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-

Note: * Resigned w.e.f. May 29, 2018.
** Superannuated w.e.f. August 31, 2018.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	42.96	-	-	42.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	42.96	-	-	42.96
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	42.96	-	-	42.96
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Dr. Prakash A. Mody Chairman & Managing Director	Mr. Dilip Kunkolienkar Director Technical
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	395.82	111.91
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	16.62	-
	(c) Profits in lieu of salary under Section 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option	-	33.02
3	Sweat Equity	-	-
4	* Commission		
	- as % of profit	-	-
	- others, specify	-	-
	Total (A)	412.44	144.93
	Ceiling as per the Act: Note: 1) The Company had inadequate profits during the year. Accordingly the Company has obtained approval of Shareholders vide Special Resolutions dated December 13, 2018 to pay to the Whole Time Directors by way of remuneration sums in excess of the limits specified in Part A of Section II of Part II of Schedule V of the Act.		

* For the year under review, due to inadequate profits, no commission is payable to the Chairman & Managing Director. No commission is payable to the Director Technical as per the terms of his appointment.

B. Remuneration to other Directors

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Names of Directors					
	Independent Directors	Mr. Prafull Anubhai	Mr. Prafull Sheth	Mr. Anand Mahajan	Dr. (Mrs.) B. Kinnera Murthy	*Mr. Ramdas Gandhi	Total
1	Fee for attending Board and Committee Meetings	16.50	9.00	10.50	10.50	-	46.50
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending Board and Committee Meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	16.50	9.00	10.50	10.50	-	46.50
	Total Managerial Remuneration (A+B)						603.87
	Overall Ceiling as per the Act : Refer Note 1. Independent Directors are paid only sitting fees.						

* Resigned w.e.f. May 29, 2018

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
	Name	*Mr. Rakesh Parikh	Ms. Neema Thakore	**Mr. Sandip Ghume	Total
	Designation	Chief Finance & Compliance Officer	Head - Legal & Company Secretary	Deputy Chief Financial Officer	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	44.46	68.42	13.35	126.23
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	51.18	-	-	51.18
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
	Total	95.64	68.42	13.35	177.41

*Superannuated w.e.f. August 31, 2018
** Designated as Deputy Chief Financial Officer w.e.f. October 30, 2018

VII Penalties/punishment/compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					

For and on behalf of the Board of Directors,

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

Mumbai
May 24, 2019

Annexure F 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 2018-2019

Name of the Director	Ratio
Dr. Prakash A. Mody (Chairman & Managing Director)	100.37:1
Mr. Dilip Kunkolienkar (Director Technical)	35.27:1

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 directors, are as per the Company's remuneration policy and are different. Further, the amount of sitting fees received by a non-executive director depends on (a) amount of sitting fee fixed by the Board for meetings of the Board and a particular Committee, and (b) number of meetings of the Board and Committee(s) attended by him. Therefore, the information as to ratio of sitting fees paid to the median remuneration of employees and percentage increase / decrease in remuneration of non-executive 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 2018-2019

Name	% increase/ (decrease)
Dr. Prakash A. Mody (Chairman & Managing Director)	188%
# Mr. Dilip Kunkolienkar (Director Technical)	Not Applicable
@ Mr. Rakesh Parikh (Chief Finance & Compliance Officer)	Not Applicable
@ Mr. Sandip Ghume (Deputy Chief Financial Officer)	Not Applicable
** Ms. Neema Thakore (Head - Legal & Company Secretary)	9%

\# Was appointed w.e.f. April 1, 2018 and hence comparable figures are not provided.

@ Mr. Rakesh Parikh, Chief Financial Officer superannuated from the services of the Company w.e.f. August 31, 2018 and Mr. Sandip Ghume was appointed as a Deputy Chief Financial Officer of the Company w.e.f. October 30, 2018 hence comparable figures are not provided.

** Does not include one-time incentive pursuant to the sale of the Company's Domestic business and other perquisites calculated under the Income Tax Act, 1961 for the financial year 2017-2018.

(iii) The percentage increase in the median remuneration of employees during the financial year 2018-2019 : 11.50%

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

There were 2,602 employees on the rolls as on March 31, 2019.

(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 19.50% and increase for employees other than Managerial Personnel is 22.20% .

(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
May 24, 2019

Annexure G to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-2019

1. **A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs**

   Your Company believes in the philosophy of giving back. Being in the pharmaceutical industry your Company's primary focus is healthcare. education, sanitation, protection of environment, general welfare and development are the other areas in which your Company concentrates its CSR activities. While the focus of CSR efforts will be in the areas around the Company's locations, the Company may also undertake projects looking into other societal needs. The CSR policy is available on the website of the Company and the web link is as under:
   https://unichemlabs.com/policies-code-of-conduct/corporate-social-responsibility/

2. **Composition of the CSR Committee**
   a. Dr. Prakash A. Mody (Chairman & Managing Director)
   b. Mr. Prafull Anubhai (Independent Director)
   c. Dr. (Mrs.) B. Kinnera Murthy (Independent Director)

3. **Average net profit of the Company for the last three financial years**
   ₹11,345.66 lakhs

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above)**
   ₹226.91 lakhs

5. **Details of amount spent on CSR activities during the financial year 2018-2019**
   a. Total amount to be spent for the financial year: ₹226.91 lakhs
   b. Total amount spent for the financial year: ₹156.51 lakhs
   c. Amount unspent, if any: ₹70.40 lakhs

6. **Manner in which the amount was spent during the financial year is detailed below**

(₹ in lakhs)

Sr.No.	CSR Project/ activities Identified	Sector	Locations Districts/ States	Amount Outlay (Budget)	Amount spent on the projects or programmes	Cumulative expenditure upto reporting period	Amount spent: Direct or through implementing agencies
1	*Amrut Mody College of Mass Communication and Journalism	Education and Infrastructure	Mumbai	3.50	3.50	3.50	3.50
2	*Children of the World	Child Care Center for the underprivileged children	Mumbai	10.00	10.00	10.00	10.00
3	*IPA-Late Shri. Amrut Mody Scholarship for undergraduate Pharmacy College Students	Education	Pan India	9.75	9.75	9.75	9.75
4	**Educational infrastructure and kits distribution, renovation of the school building and play area in schools	Education and Infrastructure	Ghaziabad Goa Roha Baddi	41.66	41.66	41.66	41.66
5	*Adiwasi Unnati Mandal	Health and Education	Mumbai Shahpur Thane	10.00	10.00	10.00	10.00

(₹ in lakhs)

Sr.No.	CSR Project/ activities Identified	Sector	Locations Districts / States	Amount Outlay (Budget)	Amount spent on the projects or programmes	Cumulative expenditure upto reporting period	Amount spent: Direct or through implementing agencies
6	*Rotary Club of Mumbai-Project Humsafar	Health and Sanitation	Mumbai	3.50	3.50	3.50	3.50
7	**Construction and maintenance of community sanitation units	Health, Sanitation and Environment Protection	Goa Kolhapur Baddi Ghaziabad	34.59	34.59	34.59	34.59
8	**Health check-up for students in schools	Health	Goa	3.00	3.00	3.00	3.00
9	**Renovation of Government hospital	Health and Infrastructure	Pithampur	20.65	20.65	20.65	20.65
10	**Infrastructure development of the community Road development and traffic signal development	Infrastructure	Roha and Goa	14.82	14.82	14.82	14.82
11	**Tree plantations and benches for senior citizens	Health and Environment Protection	Goa	1.70	1.70	1.70	1.70
12	**Water cooler for Community	Health, Sanitation and Environment Protection	Baddi and Ghaziabad	3.34	3.34	3.34	3.34
	Total			**156.51**	**156.51**	**156.51**	**156.51**

* Implementing Agencies: Sardar Vallabhbhai Samaj Seva Trust, Indian Pharmaceutical Association (IPA), Adiwasi Unnati Mandal (AUM), Children of the World (India) Trust Bombay and Rotary Club of Mumbai

** Direct Spending

7. **In case the Company has failed to spend two percent of the average net profit of the latest three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Directors' Report**

The Company has been engaged in CSR activities since many years. During the year under review, the total amount to be spent was ₹226.91 lakhs. The Company spent ₹156.51 lakhs on CSR which is 1.37% of the average profits, for the last three financial years. Balance amount of ₹70.40 lakhs remained unspent. The Company could not spend the balance amount since it was in the process of identifying appropriate CSR programs/projects in terms of its CSR policy. Further, certain funds even though allocated to approved educational and health projects by the CSR Committee were not disbursed since there was no requirement for these funds from the organizations/institutions during the year under review.

The Company plans to scale up its CSR activities in areas of education, health and other areas in a structured manner to meet the objectives of its CSR policy in the coming years.

8. **Responsibility statement on behalf of the CSR Committee that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company**

The Responsibility Statement of the CSR Committee of the Board of Directors of the Company is reproduced below:
"Unichem's CSR projects/programs are entrenched in the way we do business and are guided by our corporate mission, values and aspirations. The implementation and monitoring of the CSR projects is in compliance with the provisions of Section 135 of the Companies Act, 2013."

Mumbai
May 24, 2019

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

Management Discussion and Analysis

GLOBAL PHARMA MARKET

The global pharmaceutical market is bound for significant growth with strong industry fundamentals and driven by an increase in health spending globally. Contributing to the growth is an increase in life expectancy which is expected to reach 74.4 years by 2022, up from 73.3 in 2017. But spending on pharma is expected to beat overall healthcare spends. According to industry projections, the global pharma market is estimated to grow at a CAGR (Compound Annual Sales Growth Rate) of 6.4% until 2024. This is despite political and regulatory risks ranging from uncertainty over Brexit to drug pricing reforms being pushed by the government in the US[1]. The global market for pharmaceuticals reached US$ 1.2 trillion in 2018, up US$ 100 billion from 2017, according to the Global Use of Medicines report from the IQVIA Institute for Human Data Science.

However, worldwide prescription drug sales are expected to rise from US$ 900 billion in 2019 to US$ 1.2 trillion by 2024[2,3]. This growth will be enhanced by various factors including an increase in public healthcare spending, demand for effective treatments with rising patient awareness, and increasing penetration of insurance.

The US remains the largest outlet for pharmaceuticals accounting for 48.1% of global pharmaceutical sales in 2017, as compared to 22.2% for Europe. According to IQVIA data (MIDAS May 2018), 64.1% of sales of new medicines launched during the period 2012-2017 were in the US market, compared with 18.1% in the top 5 European markets[4]. For 2018, US spending was at US$ 485 billion, up 5.2% over the previous year, with spending for 2023 estimated to be in the range of US$ 625-655 billion.

India's pharmaceutical exports stood at US$ 17.28 billion in FY18 and stood at US$ 19.14 billion in FY19, with double digit growth expected to continue going forward. During the year, Indian companies received 538 product approvals from the USFDA (US Food and Drug Administration)[5]. India accounts for around 30% by volume and about 10% value in the US$ 70-80 billion US generics market[6].

Herein lies the opportunity for Unichem to work towards increasing the value contribution with a sustained focus and investment in R&D (Research & Development). With global companies increasingly looking at India for generics, APIs (Active Pharmaceutical Ingredients) and contract manufacturing, Unichem is well poised to succeed with a strategic focus on R&D.

Globally the effort is to bring companies and regulators together so that the best interests of patients are served. We are living in a world that is constantly changing with evolving regulatory models. At Unichem, we are always aware of what is needed for quality and are proactive in addressing regulatory requirements. We have successfully maintained high-quality standards as per the cGMP (Current Good Manufacturing Practice) guidelines issued by USFDA and other global regulators, responding immediately to observations, if any. During the year under review, Unichem successfully underwent USFDA inspections of the Company's formulation and API facilities at Ghaziabad, Roha and Pithampur. Your Company also received EIR (Establishment Inspection Report) for its Jogeshwari office (Mumbai) for post marketing adverse drug experience inspection.

UNICHEM'S PERFORMANCE

Financial Highlights

Standalone Sales/Income from Operations (Gross) increased to ₹96,773.89 lakhs from ₹66,646.97 lakhs in the previous year, registering a growth of 45.2%. Consolidated Sales/Income from Operations (Gross) stood at ₹1,18,004.68 lakhs as compared to ₹81,498.48 lakhs (continuing operations) in the previous year, registering an increase of 44.8%.

Sales outside India including operating income (Gross) on a consolidated basis stood at ₹1,08,068.19 lakhs as compared to ₹74,256.30 lakhs in the previous year, reflecting an overall growth of 45.5%.

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 thereof is provided in Table 1.

INTERNATIONAL BUSINESS

Generics and Generic Formulations

The US generics drug market grew at a CAGR of 12.1% during 2011-2018 to reach US$ 103.8 billion. Generics are bioequivalent to branded medications and have seen an increased demand as they are less expensive than branded drugs. This allows expanded patient access and savings for all stakeholders.

The European market, which accounts for around 22% of the world pharmaceutical market, is challenging due its fragmented nature. The top 5 markets are the United Kingdom, Germany, France, Italy and Spain. With the advent of Brexit, the EMA (European Medicines Agency), which is moving from

1 Scope Ratings: Pharma Outlook 2019 - Growth and innovation promise stability despite political risks
2 EvaluatePharma World Preview 2018, Outlook to 2024 https://bit.ly/2XvcANo
3 Deloitte 2019 Global Life Sciences Outlook https://bit.ly/2TorFdB
4 EFPIA: The Pharmaceutical Industry in Figures
5 Pharmexcil https://bit.ly/2X2zEUF
6 IBEF Indian Pharmaceutical Industry report https://bit.ly/2qs9KEI

Table 1: Details of significant changes in key financial ratios, along with detailed explanations thereof							
Ratio	Standalone			Consolidated			Explanations for variance wherever applicable
	FY 18-19	FY 17-18	Variance	FY 18-19	FY 17-18	Variance	
(i) Debtors Turnover	0.34	0.35	2%	0.37	0.34	(9%)	Not Applicable
(ii) Inventory Turnover	0.28	0.31	9%	0.29	0.33	14%	Not Applicable
(iii) Interest Coverage Ratio	0.02	(0.04)	135%	0.50	(0.11)	547%	Improvement in turnover and reduction in loan amount resulted in favourable variance
(iv) Current Ratio	6.82	7.48	9%	4.05	5.04	20%	Not Applicable
(v) Debt Equity Ratio	-	0.02	100%	14.18	10.71	(32%)	Standalone- There is no borrowing as on March 31, 2019. Consolidated - Increase in borrowing
(vi) Operating Profit/(Loss) Margin i.e. Profit before Depreciation, interest and Tax	4%	(11%)	138%	1%	(9%)	115%	Favourable variance is mainly on account of growth in turnover
(vii) Net Profit Margin	1%	(18%)	104%	(2%)	(16%)	87%	Profitability improved mainly due to growth in turnover and recognition of deferred tax asset
(viii) Return on Net Worth (Profit for the year /total equity)	0%	(4%)	106%	(1%)	(5%)	80%	Profitability improved mainly due to growth in turnover and recognition of deferred tax asset

Note - For the purpose of above ratios, figures of continuing business are considered.

London to Amsterdam in 2019, is showing an upward trend in marketing approvals for innovative drugs and generics.

EM (Emerging Market) pharma demand is expected to increase strongly with total EM pharma revenues expected to reach US$ 490 billion in 2025. While China would generate around 40% of the total EM demand by 2025, other countries like Brazil, India, Russia and other smaller EM countries are also predicted to double pharma expenditure by 2025.

Governments around the world are looking to boost patient access to affordable medicines. Hence the demand for generic drugs is only expected to increase, creating a growing pipeline of opportunities for generics. Unichem will seek to take advantage of the opportunity with an increased number of filings.

The market is also seeing increased demand consequent to a rise in the prevalence of chronic diseases across the developed world, mainly non-communicable diseases such as cardiovascular, diabetes, Alzheimer's, and Parkinson's[7]. Within this, the global specialty generics market with a value of US$ 44.8 billion in 2018 comprises specialty generics that are used to treat chronic, complex health conditions including cancer, autoimmune diseases, epilepsy, HIV (Human immunodeficiency virus infection), hepatitis, multiple sclerosis, rheumatoid arthritis, etc[8].

At present, unbranded generics dominate the market with a majority of the market share. The challenge here is increasing commoditization of unbranded generics, which Unichem will address by focussing on efficiency and backward integration. Unichem is well positioned to face the challenges and intends to ramp up its capabilities and capacities in APIs and intermediates. Unichem will use these APIs for captive consumption which will give it an edge in the global generics market.

In the year under review, Unichem filed 14 ANDAs (Abbreviated New Drug Applications) (including one Para 4), 1 PAS (Prior Approval Supplement) for a new cost-effective formulation, 12 US DMFs (US Drug Master Files), 1 CEP (Certification of Suitability of European Pharmacopoeia) and 2 Brazil filings. We expect an increase in the number of approvals in time to come. The USFDA approved a record 781 generic drugs in 2018, breaking the previous record of 763 that the agency had set the year before[9].

Unichem is poised for success with subsidiaries in the US and Europe to give us a winning edge in the regulated markets, backed by an efficient R&D centre, regulatory compliance competence and manufacturing plants approved by the regulatory authorities including USFDA, MHRA (Medicines and Healthcare products Regulatory Agency), ANVISA (National Health Surveillance Agency or Agência Nacionalde Vigilância Sanitária) and TGA (Therapeutic Goods Administration).

Years of sustained efforts have borne fruit and Unichem today is the partner of choice for global generics companies through wholly owned subsidiaries in UK, USA, Brazil, South Africa and Ireland.

7 US Generic Drug Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2019-2024 https://bit.ly/2WRypmc

8 Specialty Generics Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2019-2024 report https://bit.ly/2L5mDIZ

9 FDA News - FDA Breaks Record for Most Generic Approvals https://bit.ly/2ZFrmim

ACTIVE PHARMACEUTICAL INGREDIENTS (API)

According to industry studies, the global API market is predicted to grow at a CAGR of 6.8% to reach US$ 268.12 billion by 2026, driven by an increasing incidence of various non-communicable diseases, such as cancer and cardiovascular diseases[10]. Worldwide, there is a rising trend for pharmaceutical companies to outsource API production due to many advantages including eliminating the need for investment in expensive manufacturing facilities and allowing them to focus on their core competencies.

The impending patent expiry cliff, growing outsourcing to battle high manufacturing costs, and stringent regulations for API production are challenges that API suppliers face. Generic APIs are expected to register a lucrative CAGR over the period 2019-2026 due to these factors. Synthetic APIs held the largest share of the API market in 2018, while biotech APIs are estimated to have the highest CAGR with rising demand for biopharmaceuticals over the next decade.

Unichem is well placed to benefit from this rising trend of outsourcing of APIs with its focus on quality, reliability and excellence. It continues to build on its position in the global API market. Unichem will strengthen its expertise in manufacture of intermediates and APIs backed by investment in R&D.

As a continued effort towards meeting the demands of incremental growth, your Company has made strategic investments in two Hyderabad based companies, namely Optimus Drugs Private Limited and Optrix Laboratories Private Limited engaged in the business of research, development, manufacture, marketing and distribution of APIs and intermediates. The key objective of this investment is to gain access to their USFDA approved manufacturing facilities for APIs and intermediates. This will provide the Company with additional capacity to meet its immediate requirements and fulfil its export orders.

RESEARCH AND DEVELOPMENT (R&D)

R&D is the core which will power Unichem's future growth through a strategy of development of patent non-infringing processes for APIs and Formulations. The Centre of Excellence in Goa, manned by over 300 scientists, is the place where the future potential of Unichem is incubated and given life. Offering the most conducive environment for value added research, the R&D centre has to date developed novel, innovative and efficient processes for 72+ new generation molecules and 63+ ANDAs in various 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, creams, ointments and a separate facility for injectable and pre-formulation laboratories to carry out drug-excipient compatibility studies and physical characterization of APIs.

10 Grand View Research Report https://bloom.bg/2XlaBLN

Plant simulation experiments designed by Process Engineers help to anticipate and address scale-up issues that the laboratory developed processes may face in the plant during the technology transfer exercise.

The R&D centre also 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 QbD (Quality by Design) protocol as laid down by the USFDA.

The R&D centre also has a BioTech facility which engages in developing novel or biosimilar products using Recombinant DNA platform technology.

We believe that our investment in R&D will be a game-changer and open the door to growth, including out-licensing opportunities in generics and biologics.

Today, although our investment in R&D of around 15.40% of consolidated revenues is above the industry average, it is expected to be in line with or better than the industry average of 9-11% in future, driven by an increased number of filings and products getting approved and launched.

INFRASTRUCTURE

Built on a foundation of quality and reliability, Unichem has made significant investments in building infrastructure to support its international growth strategy. The world-class development and manufacturing infrastructure enable Unichem to deliver on its promise of quality and value to its customers globally.

HUMAN RESOURCES (HR)

Success at Unichem is a reflection of the collective efforts of every employee working together as a team. Our teams continue to drive business outcomes while individually striving for excellence.

While we are currently at the cusp of transformational growth, we are undertaking initiatives to build people capability to further enhance our performance-driven culture and accelerate our business in a globally competitive environment.

We continue to promote employee development through a blend of experiential learning and focused interventions. Our endeavour of building people capabilities by partnering with leading academic institutes like IMT (Institute of Management Technology), Ghaziabad and SIBM (Symbiosis Institute of Business Management), Pune saw the first batch of participants graduate from these institutes equipped with managerial skills and best-in-class training. NEEV (for employees who are at the first rung of their career), UDAAN (targeted at developing the first and second rung of leadership) and LEAP (a program focusing at middle management professionals) enabled participants to hone their skills and contribute effectively in their roles.

Your Company also believes that good communication skills enhance an employee's personality and adds value to his/her professional skills. To achieve this, Unichem introduced the Speak Smart program for its employees across the organization. This would provide them tools to enhance their basic communication skills for expressing themselves clearly, confidently, assertively and logically not only in professional situations at Unichem but also in their day-to-day lives. All these programs will ensure their holistic development.

In order to reward exemplary contribution and living the Unichem values of ICE (Integrity, Collaboration and Execution Excellence), the Unichem Rewards & Recognition program, Unichem Stars Programme was launched. The award categories of Spot Awards, Quarterly Awards and Chairman's Club Awards saw extraordinary achievements of several meritorious employees earning laurels.

The first-year cycle culminated on a high note with the Chairman's Club Awards Night.

Powering Human Resource initiatives through technology continues to be our focus. Our online performance management system PEDS (Performance Enhancement and Development System) on SAP Success Factors was introduced a couple of years ago. It ensures that employees set up smart goals and an effective mechanism of tracking and measuring these goals on a regular basis is available to enable us achieve business objectives. Regular workshops with employees and managers on goal setting, performance appraisals and a feedback mechanism has helped strengthen the system.

We strive to engage employees across levels to partner for business results, strengthen and improve processes, ensure agility in decision making and develop a strong cross-functional alignment to drive business. The Company conducted several workshops to ensure that business objectives were shared with all employees and they contributed in achieving them.

Continuing the journey on the path of embracing HR technology, Unichem is implementing validated LMS (Learning Management System) provided by SAP SuccessFactors, which will result in minimum to zero manual intervention in administrating the learning initiatives across the organization.

State-of-the-art training centres are being created across locations to provide a real time training experience through the most advanced training technologies like E-Learning and Virtual Learning. This experience will be provided using the latest technology. All these will help Unichem and its employees achieve the aim of continuous execution excellence and rapid growth.

The Company has enjoyed cordial relations with its union. The wage agreement at Roha was signed off and implemented this year.

Employee engagement and wellness continued to be focus areas and several initiatives across locations were carried out to keep employees motivated and aligned along with creating an awareness of leading a healthy lifestyle.

The Unichem family has a talented HR pool of around 2,600 employees who remain committed to our tenets of Quality and Reliability.

INTERNAL CONTROLS

Your Company's internal control systems are commensurate with the nature and size of its business operations. An established and independent internal audit system strengthened by policies and procedures that specify assignment of responsibility, delegation of authority, segregation of duties ensures accountability and controls. The systems ensure that transactions are authorized, recorded and reported diligently, to safeguard the interests of the Company. The internal controls are aimed at mitigating operational risks for each area under audit and warranting compliance. The Management duly considers and takes appropriate actions on recommendations made by Statutory Auditors, Cost Auditors, Internal Auditors and the Independent Audit Committee of the Board of Directors.

RISKS AND CONCERNS

Your Company has a Risk Management Policy to review and mitigate environmental, operational and business risks to safeguard its business.

Unichem today is a global company targeting the international pharma market in both regulated and emerging markets. The Company has a competitive advantage due to its investment in R&D and its vertically integrated pharmaceutical business. We look forward to the future with excitement and confidence as we move forward on the path to create a global pharma player.

For and on behalf of the Board of Directors,

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

Mumbai
May 24, 2019

Corporate Governance Report

Compliance with the Code of Corporate Governance forms an integral part of the Company's philosophy. Unichem firmly believes that any meaningful policy on Corporate Governance must provide empowerment to the management of the Company and simultaneously create a mechanism of checks and balances that ensure that the decision making powers vested in the management are not misused and are exercised with care and responsibility to meet stakeholders' aspirations and societal expectations. The core principles of Corporate Governance i.e. trusteeship, transparency, empowerment, accountability and control form the cornerstone of Unichem's Corporate Governance philosophy. The Company continues to focus its resources, strengths and strategies to achieve the highest standards of Corporate Governance and endeavours to implement the Code of Corporate Governance in its true spirit.

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 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

As on March 31, 2019, Unichem's Board comprised of six Directors, viz., two wholetime Directors and four Non-Executive and Independent Directors. Unichem's Board met seven times during the year under review viz.; May 29, 2018; July 28, 2018; October 30, 2018; November 2, 2018; November 16, 2018; February 1, 2019 and March 28, 2019 as given in **Table-1**. The intervening period between two Board Meetings was well within the time limit prescribed in the Companies Act, 2013 and the Listing Regulations.

Independent Directors' Meeting

During the year under review, the Independent Directors met on January 1, 2019 *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

Table-1: Composition of Board and attendance of Meetings during the year 2018-2019

Name	Category	No. of Board Meetings held during the year 2018-2019		Whether attended last AGM held on July 28, 2018	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	Executive Director	7	7	Yes	1	0	0	Kewal Kiran Clothing Limited Independent Director
Mr. Dilip Kunkolienkar	Director Technical	7	6	Yes	0	0	0	Nil
Mr. Prafull Anubhai	Non-Executive Independent	7	6	Yes	2	1	1	***Gruh Finance Ltd. and Vardhaman Textiles Ltd - Independent Director
Mr. Anand Mahajan	Non-Executive Independent	7	6	Yes	2	2	1	Saint-Gobain Sekurit India Ltd. - Non-Executive and Non Independent Director Grindwell Norton Ltd. - Executive Director
Mr. Prafull Sheth	Non-Executive Independent	7	4	Yes	0	0	0	Nil
Dr. (Mrs.) B. Kinnera Murthy	Non-Executive Independent	7	6	Yes	2	0	0	Nil
#Mr. Ramdas Gandhi	Non-Execurive Independent	7	0	0	3	1	3	Aarti Drugs Ltd., Aarti Industries Ltd. and Vinyl Chemicals (I) Ltd. - Independent Director

* Excludes Directorships in Pvt. Ltd. Companies, Foreign Companies (including foreign subsidiaries of Unichem Laboratories Limited) and Companies under Section 8 of the Act.

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

*** Ceased to be a Director w.e.f. April 1, 2019.

Resigned w.e.f. May 29, 2018 due to advanced age.

Company, taking into account the views of Executive Directors and Non-Executive Directors; and

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

All Independent Directors attended the Meeting.

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

1. **Vision:** Ability to see the future with precision based on knowledge, experience and power of reasoning to shape company's plans.
2. **Strategic thinking:** Ability to identify opportunities, projects, critical evaluation of the same and plan for successful implementation, to achieve the desired business goal.
3. **Leadership skills:** Trait of creating an inspiring vision, motivating people to engage with that vision and manage delivery of the vision.
4. **Industry knowledge:** Ability to comprehend intricacies of running an industry and guide the executive management to achieve desired goals with focus on pharma sector.
5. **Marketing & Business skills:** Thorough understanding of market and ability to deploy most innovative and effective marketing strategies supported by best use of technology.
6. **Finance & Accounting:** Ability to analyse key financial statements, assess financial viability, contribute to strategic financial planning; oversee budgets & efficient use of resources.
7. **Risk management:** Ability to identify key risks associated with the business and put in place risk minimisation and mitigation framework, insulate the business from pitfalls.
8. **Communication skills:** Ability to convey effectively and efficiently with all stakeholders to achieve organization goals.

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 Regulations 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 Policy

Regulation 34 (2) of the Listing Regulations, *inter alia*, provides that the annual report of the top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year), shall include a Business Responsibility Report ("BRR").

Your Company is not featuring in the list of top 500 listed entities as per market capitalization calculated as on March 31, 2019 and hence the Business Responsibility Report is not provided for the financial year ended March 31, 2019.

Dividend Distribution Policy

Pursuant to the Listing Regulations, the Company has formulated a Dividend Distribution Policy and the same is available on the Company's website https://unichemlabs.com/policies-code-of-conduct/dividend-distribution-policy/.

Familiarization programme for Independent Directors

As and when a new Independent Director is appointed, the Company takes steps to familiarise the Independent Director with the Company, his/her roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. By way of an introduction, the Company presents to the Director a corporate CD which encompasses the history and operations of the Company.

Compliances required from the Directors under the Act and the Listing Regulations are explained to them in detail. Senior Management makes presentations periodically to familiarise the Directors with the strategy and operations of the Company.

The details of such familiarization programme have been displayed on the website of the Company and the weblink of the same is: https://unichemlabs.com/policies-code-of-conduct/familiarization-programme-for-independent-directors/.

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://unichemlabs.com/ policies-code-of-conduct/code-of-business-conduct-ethics/.

All Board members and Senior Management Personnel have affirmed compliance with the said Code for the year ended March 31, 2019. 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 March 31, 2019".

Dr. Prakash A. Mody

Mumbai — Chairman & Managing Director

May 24, 2019 — DIN 00001285

Audit Committee

The Audit Committee met five times during the financial year, namely May 29, 2018; July 28, 2018; October 30, 2018; November 16, 2018 and February 1, 2019. The composition of the Committee as on March 31, 2019, and the details on the number of Audit Committee Meetings held and attended by the Members during the financial year 2018-2019 are given in **Table-2**.

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 Deputy Chief Financial Officer, Chief Internal Auditor & Compliance Officer, a representative of the Statutory Auditors and the Cost Auditor were regular invitees to the Meetings.

The Company Secretary acts as Secretary to the Committee.

Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee during the financial year 2018- 2019 is given in **Table -3**.

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 said Committee met three times during the financial year namely May 29, 2018; October 30, 2018 and February 1, 2019.

The Company Secretary acts as Secretary to the Committee.

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 participation, Board disclosures of interests, review of risk management policies, evaluating plans with reference to risk and return, Good Governance 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 March 31, 2019:

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
*Mr. Ramdas Gandhi	16,532

*Resigned w.e.f. May 29, 2018

The Company has not issued any convertible instruments during the financial year ended March 31, 2019. None of the Directors had any relationship *inter-se*.

Stakeholders' Relationship Committee

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 2018-2019 are given in **Table-5**. The Committee focuses on shareholders' grievances and strengthening of investor relations.

Table-2: Composition and attendance of Audit Committee Meetings during 2018-2019

Name of Director	Position	Category	No. of Meetings attended
Mr. Prafull Anubhai	Chairman	Non-Executive, Independent	5
Mr. Dilip Kunkolienkar	Member	Executive Director	3
Mr. Prafull Sheth	Member	Non-Executive, Independent	3
*Mr. Anand Mahajan	Member	Non-Executive, Independent	2
@Dr. (Mrs) B. Kinnera Murthy	Member	Non-Executive, Independent	1
#Mr. Ramdas Gandhi	Member	Non-Executive, Independent	0

* Appointed w.e.f. November 2, 2018
@ Appointed w.e.f. November 16, 2018
\# Resigned w.e.f. May 29, 2018

Table-3: Composition and attendance of Nomination and Remuneration Committee Meetings during 2018-2019

Name of Director	Position	Category	No. of Meetings attended
Mr. Prafull Anubhai	Chairman	Non-Executive, Independent	3
Mr. Prafull Sheth	Member	Non-Executive, Independent	3
*Mr. Anand Mahajan	Member	Non-Executive, Independent	2
#Mr. Ramdas Gandhi	Member	Non-Executive, Independent	0

* Appointed w.e.f. July 28, 2018
\# Resigned w.e.f. May 29, 2018

The Stakeholders' Relationship Committee met four times during the financial year namely May 29, 2018; July 28, 2018; October 30, 2018 and February 1, 2019. During the year four complaints were received from shareholders and investors. All the complaints have been resolved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year. The Company has acted upon valid requests for share transfers received during the year and no such request is pending.

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

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

Risk Management

Pursuant to Regulation 21 of the Listing Regulations, the Company does not come in the top 100 entities which have to mandatorily constitute a Risk Management Committee. However, the Company has procedures for risk assessment and minimisation.

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 2018-2019 are given in **Table-6**. The terms of reference of the said Committee broadly comprise the following:

a. To review the existing CSR Policy and to make it more comprehensive so as 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 three times during the financial year on May 29, 2018; October 30, 2018 and February 1, 2019. The Company Secretary acts as Secretary to the Committee.

Table-4: Remuneration paid to the Directors for 2018-2019 (₹ in lakhs)

Name	Sitting Fees**	Commission payable for 2018-2019@	Consolidated Salary^	Perquisites and Allowances^	Total Amount
*Dr. Prakash A.Mody	NA	NA	395.82	16.62	412.44
Mr. Dilip Kunkolienkar	NA	NA	111.91	33.02	144.93
Mr. Prafull Anubhai	16.50	NA	NA	NA	16.50
Mr. Anand Mahajan	10.50	NA	NA	NA	10.50
Mr. Prafull Sheth	9.00	NA	NA	NA	9.00
Dr. (Mrs.) B. Kinnera Murthy	10.50	NA	NA	NA	10.50
#Mr. Ramdas Gandhi	Nil	NA	NA	NA	Nil

* 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 due to inadequate profit no commission is payable for the year under review.
** Sitting Fees are exclusive of Service Tax/Goods and Service Tax, paid extra under reverse charge mechanism
^ Fixed Component
@ Variable Component
\# Resigned w.e.f. from May 29, 2018

Table-5: Composition and attendance of Stakeholders' Relationship Committee Meetings during 2018-2019

Name of Director	Position	Category	No. of Meetings attended
Dr. Prakash A. Mody	Member	Executive Director	4
*Mr. Prafull Anubhai	Chairman	Non-Executive, Independent	4
@Dr. (Mrs.) B. Kinnera Murthy	Member	Non-Executive, Independent	3
#Mr. Ramdas Gandhi	Member	Non-Executive, Independent	0

* Appointed as the Chairman w.e.f. May 29, 2018
@ Appointed as Member w.e.f. May 29, 2018
\# Resigned w.e.f. from May 29, 2018

Table-6: Composition and attendance of Corporate Social Responsibility Committee Meetings during 2018-2019

Name of Director	Position	Category	No. of Meetings attended
Dr. Prakash A. Mody	Chairman	Executive Director	3
Mr. Prafull Anubhai	Member	Non-Executive, Independent	3
(Dr.) (Mrs.) B. Kinnera Murthy	Member	Non-Executive, Independent	3
#Mr. Ramdas Gandhi	Member	Non-Executive, Independent	0

\# Resigned w.e.f. from May 29, 2018

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 March 31, 2019. The certificate was placed before the Board of Directors at its Meeting held on May 24, 2019.

General Body Meetings

a. Details of the last 3 (three) Annual General Meetings are given in **Table-7**.

b. Resolutions passed through Postal Ballot:

   (i) Re-confirmation of the remuneration payable to Dr. Prakash A. Mody, Chairman & Managing Director of the Company, for a period of three years w.e.f. July 1, 2018 to June 30, 2021, already approved by the Shareholders at the 55th Annual General Meeting of the Company held on July 28, 2018.

   (ii) Re-confirmation of the remuneration payable to Mr. Dilip Kunkolienkar, Whole Time Director of the Company designated as Director Technical for a period of three years w.e.f. April 1, 2018 to March 31, 2021 already approved by the Shareholders at the 55th Annual General Meeting of the Company held on July 28, 2018.

   (iii) Approval of Shareholders was obtained through Postal Ballot on May 15, 2018 to create, grant, offer, issue and allot 52,75,275 (Fifty Two lakh, Seventy Five thousand Two hundred and Seventy Five) equity shares of the face value of ₹2/- each; i.e., 7.50% of the issued, subscribed and paid-up equity share capital of the Company under the Unichem Employee Stock Option Scheme 2018 (Scheme) for the employees of the Company and of its subsidiary company (ies) and setting up Unichem Employee Welfare Trust(s) for implementing the Scheme. Summary results of Postal Ballot and E-Voting is given in **Table 8**.

Disclosures

Related Party Transactions

There were no materially significant transactions with Related Parties during the financial year, which were in conflict with the interest of the Company at large. The Company has in place a policy on Related Party Transactions and the same is displayed on the Company's website and the weblink of the same is: https://unichemlabs.com/policies-code-of-conduct/related-party-transactions/

Details of Non compliance

During the past 3 (three) years there have been no instances of non compliance by the Company with the requirements of the Stock Exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to capital markets except in the financial year 2016-2017 the National Stock Exchange of India Limited (NSE) had sought a clarification from the Company on delayed reporting of the proceedings of the 53rd Annual General Meeting (AGM) of the Company held on July 23, 2016. The Company had clarified that the proceedings filed with the Exchange did not contain any material new information and was a mere reiteration of the facts already stated in the voting

Table-7: Details of the last 3 (three) Annual General Meetings (AGM)

AGM	Year	Venue	Date	Time	Items of Special Resolution passed at each meeting
55th	2017-2018	Rama Watumull Auditorium Kishinchand Chellaram College (K.C. College) 124, Dinshaw Wachha Road Churchgate Mumbai - 400 020	Saturday July 28, 2018	3:00 p.m.	(i) Re-appointment of Dr. Prakash A. Mody as the Chairman & Managing Director of the Company for a period of three years w.e.f. July 1, 2018 up to June 30, 2021. (ii) Appointment of Mr. Dilip Kunkolienkar as a Whole time Director of the Company, designated as Director Technical for a period of three years w.e.f. April 1, 2018 up to March 31, 2021. (iii) Re-Appointment of Mr. Prafull Anubhai as an Independent Director of the Company for a second term of five consecutive years w.e.f. April 1, 2019 up to March 31, 2024. (iv) Re-Appointment of Mr. Prafull Sheth as an Independent Director of the Company for a second term of five consecutive years w.e.f. April 1, 2019 up to March 31, 2024. (v) Re-Appointment of Mr. Anand Mahajan as an Independent Director of the Company for a second term of five consecutive years w.e.f. April 1, 2019 up to March 31, 2024.
54th	2016-2017	Hall of Culture, Nehru Centre Dr. Annie Besant Road Worli, Mumbai - 400 018	July 22, 2017	3.00 p.m.	Re-appointment of (Dr.) (Mrs.) B. Kinnera Murthy as an Independent Director of the Company for a second term of five consecutive years w.e.f. March 21, 2018
53rd	2015-2016	Hall of Culture, Nehru Centre Dr. Annie Besant Road Worli, Mumbai - 400 018	July 23, 2016	3.00 p.m.	No Special Resolutions were passed at this Meeting.

Table-8(i): Summary results of Postal Ballot and E-Voting Special Resolution: Reconfirmation of remuneration payable to of Dr. Prakash A. Mody, CMD		
Particulars	**No. of Equity Shares**	**% of total number of votes cast**
Total Valid Votes Cast	4,05,11,218	100.00
Assented to Resolution	3,94,15,526	97.29
Dissented to Resolution	10,95,692	2.71

Table-8(ii): Summary results of Postal Ballot and E-Voting Special Resolution: Reconfirmation of remuneration payable to of Mr. Dilip Kunkolienkar, Director Technical		
Particulars	**No. of Equity Shares**	**% of total number of votes cast**
Total Valid Votes Cast	4,05,04,188	100.00
Assented to Resolution	3,94,13,366	97.31
Dissented to Resolution	10,90,822	2.69

Table-8(iii): Summary results of Postal Ballot and E-Voting Special Resolution: Approval of Unichem Employee Stock Option Scheme 2018		
Particulars	**No. of Equity Shares**	**% of total number of votes cast**
Total Valid Votes Cast	4,17,61,557	100.00
Assented to Resolution	4,03,70,549	96.67
Dissented to Resolution	13,91,008	3.33

Table-8(iv): Summary results of Postal Ballot and E-Voting. Special Resolution: Approval for setting up Unichem Employee Welfare Trust(s) to implement the Unichem Employee Stock Option Scheme 2018		
Particulars	**No. of Equity Shares**	**% of total number of votes cast**
Total Valid Votes Cast	4,17,63,051	100.00
Assented to Resolution	4,03,71,300	96.67
Dissented to Resolution	13,91,751	3.33

Table-8(v): Summary results of Postal Ballot and E-Voting. Grant of stock options to the employees of the subsidiary company(ies)of the Company under Unichem Employee Stock Option Scheme 2018.		
Particulars	**No. of Equity Shares**	**% of total number of votes cast**
Total Valid Votes Cast	4,17,60,191	100.00
Assented to Resolution	4,03,59,623	96.65
Dissented to Resolution	14,00,568	3.35

results of the 53rd AGM given within the stipulated time as required under Regulation 44 of the Listing Regulations. No action was initiated by NSE against the Company.

Material Subsidiary

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

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.

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 May 7, 2019 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 listed entity 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 2018-2019 aggregate ₹158.00 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: 0

c. number of complaints pending as on end of the financial year:1

The Complaint has been redressed as on date in terms of the Company's Policy on Prevention of Sexual Harassment at Workplace.

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 is given in the Notice of the 56th AGM and forms a part of this Annual Report.

Commodity price risk or foreign exchange risk and hedging activities

During the financial year ended March 31, 2019, the Company managed its foreign exchange risk and hedged to the extent considered necessary/permitted. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in the Financial Statements.

Means of Communication

a. The Unaudited/audited quarterly/half yearly results are announced within forty five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year and as per the requirements of the Listing Regulations.

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 are published in a local language (Marathi) newspaper namely, Sakal, within forty eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

c. The Company's financial results and official press releases are displayed on the Company's website www.unichemlabs.com.

d. Any presentation 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's shares are listed.

e. The quarterly results, shareholding pattern, quarterly compliances and all other corporate communications to the Stock Exchanges viz. 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.

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

General Shareholder Information

Date, Time and Venue of the 56th AGM

Date: Saturday, July 27, 2019
Time: 3.00 p.m.
Venue: Rama Watumull Auditorium,
Kishinchand Chellaram College (K. C. College),
124, Dinshaw Wachha Road,
Churchgate, Mumbai 400 020

Financial Year: April 1, 2018 to March 31, 2019

Dates of Book Closure

Monday, July 22, 2019 to Saturday, July 27, 2019 (both days inclusive)

Table-9: Unclaimed Dividend

Financial Year	Type of Dividend	Date of Declaration of Dividend	Last date for claiming unclaimed Dividend
2011-2012	Final	27.09.2012	03.11.2019
2012-2013	Final	19.07.2013	25.08.2020
2013-2014	Interim	18.01.2014	24.02.2021
2013-2014	Final	12.07.2014	18.08.2021
2014-2015	Final	16.07.2015	22.08.2022
2015-2016	Interim	09.03.2016	15.04.2023
2016-2017	Final	22.07.2017	28.08.2024
2017-2018	Final	28.07.2018	03.09.2025

Dividend Payment Date

Dividend of ₹4/- (200%) per share having a face value of ₹2/- fully paid-up for the year 2018-2019 has been recommended by the Board of Directors. If approved by the shareholders at the ensuing AGM, the same will be paid to the shareholders on or before August 1, 2019.

Stock Exchanges on which shares are listed

BSE 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

Dividend remaining unclaimed for seven years, will be transferred to the Investor Education and Protection Fund as per the Act and Rules made thereunder. Shareholders who have not claimed their Dividends may do so before these are statutorily transferred and are requested to immediately approach the Investor Relations Department of the Company for issue of duplicate dividend warrants. Please refer **Table-9**.

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- 10**:

Registrar and Share Transfer Agents (RTA)

Link Intime India Pvt. Ltd.

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

Upto March 31, 2019 share transfers were registered and returned within fifteen days from the date of receipt, subject to the documents being valid and complete in all respects. Share certificates, duly endorsed were issued or transferred to all those shareholders who opted to hold shares in physical mode.

The Company had delegated the authority to approve share transfers to its RTA, Link Intime India Pvt. Ltd. The Company obtains from a Company Secretary in Practice, half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40 (9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

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.

Dematerialisation of Shares and Liquidity

The Company's equity shares form part of the dematerialisation segment for all investors. As on March 31, 2019, 96.80% of the paid-up capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

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 inside cover of the Annual Report.

Credit Rating

ICRA, the credit rating agency has assigned a short term rating of ICRA A1+ and long-term rating of ICRA A+ with a stable outlook for the Lines of Credit (LOC) of the Company.

Table-10: 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 April 1, 2018	56	1,25,560
(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	3	11,760
(Add): Number of Shareholders and their shares transferred to Unclaimed Suspense Account during the year	-	-
(Less): Number of shares transferred from unclaimed suspense account to the IEPF authority during the Financial Year 2018-19	1	500
Aggregate number of outstanding equity shares in the Unclaimed suspense Account as at March 31, 2019	52	1,13,300

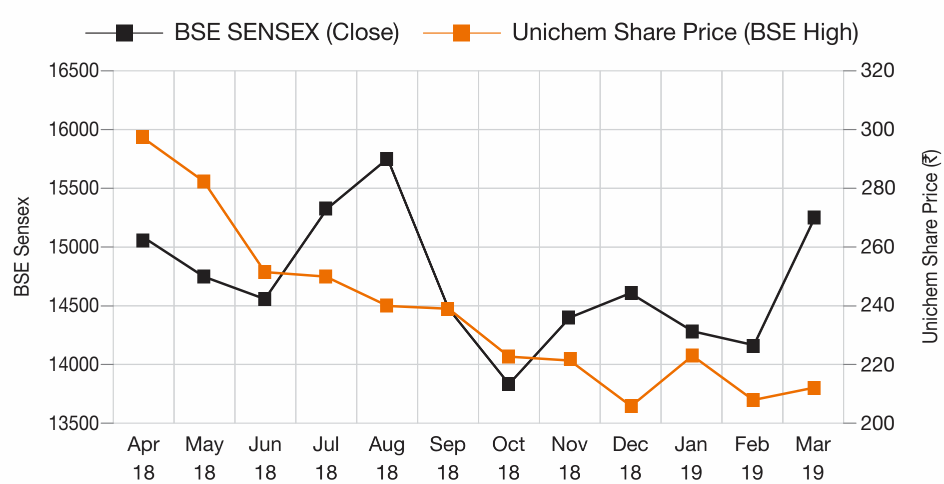
Address for correspondence
Registered Office
Unichem Bhavan, Prabhat Estate, Off S. V. Road,
Jogeshwari (West), Mumbai - 400 102
Tel.: (022) 6688 8333 • Fax.: (022) 2678 4391
Website: www.unichemlabs.com

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, 2018	292.00	258.60	291.05	258.10
May, 2018	289.00	252.05	289.80	251.75
June, 2018	258.05	230.00	259.50	231.00
July, 2018	253.00	220.20	259.00	221.05
August, 2018	240.00	213.05	240.20	212.50
September, 2018	239.75	192.20	239.40	194.00
October, 2018	227.00	182.00	228.00	212.75
November, 2018	224.55	201.10	224.90	200.05
December, 2018	206.50	187.50	204.70	187.10
January, 2019	223.00	188.50	224.00	188.30
February, 2019	209.00	188.00	208.00	188.30
March, 2019	211.75	188.40	211.80	188.00

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



Distribution of Shareholding on March 31, 2019					
Sr. No.	**No. of shares held**	**No. of Share Holders**	**% of Total Share Holders**	**No. of Shares**	**% of Issued Capital**
1	1 - 500	35,317	86.33	51,09,271	7.26
2	501 – 1,000	2,303	5.63	17,65,206	2.51
3	1,001 – 2,000	1,357	3.32	20,30,518	2.89
4	2,001 – 3,000	557	1.36	13,96,676	1.98
5	3,001 – 4,000	308	0.75	10,87,290	1.54
6	4,001 – 5,000	272	0.66	12,53,967	1.79
7	5,001 – 10,000	462	1.13	31,42,472	4.46
8	10,001 and above	331	0.82	5,45,97,850	77.57
	Grand Total	**40,907**	**100.00**	**7,03,83,250**	**100.00**

Shareholding Pattern as on March 31, 2019

S. No.	Category	No. of shareholders	No. of equity shares held	% of shareholding
	Table I - Statement showing shareholding pattern of the Promoter and Promoter Group			
1	Indian			
	(a) Individuals	4	3,56,42,664	50.64
2	Foreign			
	(a) Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-

	Table II - Statement showing shareholding pattern of the Public shareholders			
1	Institutions			
	(a) Mutual Fund	4	38,88,262	5.52
	(b) Alternate Investment Funds	1	8,14,806	1.16
	(c) Foreign Portfolio Investor	32	15,00,258	2.13
	(d) Financial Institutions / Banks	6	89,675	0.13
	(e) Insurance Companies	3	3,26,789	0.46
	(f) Foreign Mutual Fund	-	-	-
	(g) Foreign Bank	1	500	-
2	Non-Institutions			
	(a) Individuals			
	i. Individual shareholders holding nominal share capital up to ₹2 lakhs.	36,287	1,85,75,710	26.40
	ii. Individual shareholders holding nominal share capital in excess of ₹2 lakhs.	11	24,93,057	3.54
	(b) NBFCs registered with RBI	7	17,473	0.02
	(c) IEPF	1	5,00,741	0.71
	(d) Trusts	4	4,736	0.01
	(e) Foreign Nationals	1	4,646	0.01
	(f) Hindu Undivided Family	2,226	14,02,181	1.99
	(g) Non-Resident Indians (Non Repat)	235	6,34,463	0.90
	(h) Other Directors and relatives (other than promoter director and his relatives)	9	1,41,860	0.20
	(i) Non Resident Indians (Repat)	375	2,02,574	0.29
	(j) Clearing Member	124	1,23,697	0.18
	(k) Market Maker	8	2,256	0.00
	(i) Bodies Corporate	446	40,16,902	5.71
	Total	***39,785**	**7,03,83,250**	**100.00**

* The details of shareholders have been clubbed based on PAN.

Financial Calendar (Tentative)

Results for the Quarter and Year ending on	Tentative date
Unaudited results for the first quarter ending June 30, 2019	Last week of July 2019
Unaudited results for the second quarter and half year ending September 30, 2019	Last week of October 2019
Unaudited results for the third quarter and nine months ending December 31, 2019	Last week of January 2020
Audited results for the year ending March 31, 2020	Last week of May 2020

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
May 24, 2019

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, 2019 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 Exchanges.

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 with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2019.

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. In our opinion and to the best of our information and according to explanations given to us and representations made by the Directors and management, we certify that during the year ended 31st March, 2019, 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 registration number: 116560W/W100149

Milan Mody
Partner
Membership number: 103286
UDIN: 19103286AAAABP3459

Mumbai
May 24, 2019

Independent Auditors’ Report to the Members of Unichem Laboratories Limited

To

The Members of

Unichem Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Unichem Laboratories Limited (“the Company") which comprise the Balance Sheet as at 31st March 2019, and 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 then 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, 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 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 35 of the standalone financial statements, which informs that the General Court of the European Union has on 12th December 2018 rejected the appeal and confirmed the fine of Euro 13.96 Million (equivalent to ₹10,890.20 lakhs) imposed by the European Commission jointly and severally on the Company and its subsidiary (Niche Generics Limited, UK).The Company based on legal advice and merits has filed an appeal against the decision of General Court before the Court of Justice of the European Union and outcome of the appeal is awaited. Considering the above, in view of the management, no provision for the aforesaid fine is considered necessary and is disclosed as a contingent liability in note 34(ii) of the standalone financial statement. This matter was reported under ‘Emphasis of Matter’ paragraph in our limited review report for the standalone financial results for the quarter and nine-months ended 31st December 2018 and auditor’s report for the consolidated financial statement for the year ended 31st March 2018. Our opinion is not modified in respect of above matter.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

5.1. Contingent liability as elaborated above in ‘Emphasis of Matter’ paragraph

As elaborated in ‘Emphasis of Matter’ paragraph given above, the Company based on legal advice and merits has filed an appeal against the decision of General Court before the Court of Justice of the European Union and outcome of the appeal is awaited. This matter of contingent liability is considered as key audit matter for the current audit period and we have relied on the management assessment which is supported by legal advice and merits that the aforesaid fine is considered as contingent liability.

Refer to note. 34(ii) and note 35 of the standalone financial statements.

5.2. Impairment test of investment in subsidiaries at UK and Ireland

Investments in subsidiaries are carried in the Company’s standalone financial statement at cost less impairment. The carrying value of investments made by the Company in its subsidiaries (Niche Generics Limited, UK and Unichem

Laboratories Limited, Ireland) as per standalone financial statements is aggregating ₹8,273.97 lakhs as at 31st March 2019. In case of these subsidiaries, there are operating losses in current year, accumulated losses and low net-worth as at balance sheet date. Considering the overall exposure in these subsidiaries, need for impairment test was the key audit matter. Based on the financial projections of the above subsidiaries , the management is of the view that recoverable amount is higher than carrying value of these investments and there is no impairment of investments 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 these subsidiaries

b. Discussion with management for business outlook (including future financial projections of the above subsidiaries) and plans for overall turnaround of these subsidiaries

c. Evaluated the performance in the current year as compared to last year and prior year achievement as compared to budget.

d. Discussion with the auditor's of subsidiaries 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 5.2 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 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 statement 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 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, 2016 ('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. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;
    d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
    e. On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
    f. With respect to adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report given in Annexure II. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
    g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer note 34 (i), 34 (ii), 34 (vi) and note 35 to the standalone financial statements; except certain claims made by the ex-employees whose services were terminated in earlier years and are not acknowledged as debts. The financial impact of these claims cannot be estimated. However in the opinion of the management, these claims are not tenable;

   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.

For N. A. Shah Associates LLP
Chartered Accountants
Firm registration number: 116560W/W100149

Milan Mody
Partner
Membership number: 103286

Mumbai
24th May, 2019

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2019

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

(i) In respect of fixed assets (property, plant and equipment and investment property):

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a revised its program for verification of Fixed Assets to cover all the items of fixed 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 revised program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties which are freehold are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as Property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company as at the balance sheet date.

(ii) The inventories have been physically verified during the year by the management, except for the inventories lying with the third parties as at balance sheet date, which have been confirmed by them. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the requirement of clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable to the Company.

(iv) The Company has complied with the provisions of Section 186 of the Act in respect of the investments made by the Company. Further, there are no loans, guarantees 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 (a) above statutes, outstanding as at 31st March 2019 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 is no disputed sales tax, goods and services tax, service tax, duty of customs, duty of excise and value added tax as on 31st March, 2019 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	3.19	-	3.19	2007-2018	In the process of filing rectification/ appeal
The Uttar Pradesh Value Added Tax Act, 2008	Penalty	20.44	-	20.44	FY 2008-2009	Hon'ble High Court of Judicature at Allahabad
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

(₹ 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 Central Excise Act, 1944	Duty and Penalty	201.24	83.46	117.78	April 2003 to November 2013	Appellate Tribunal (CESTAT)-Mumbai
The Finance Act, 1944 (Service Tax)	Disallowance of Service Tax Credit & Penalty	504.96	29.00	475.96	FY 2008-09 to August 2015	Appellate Tribunal (CESTAT)-Mumbai
The Finance Act, 1944 (Service Tax)	Disallowance of Service Tax Credit	219.00	16.81	202.19	September 2015 to June 2017	Commissioner of Central Tax (Appeals), Raigad
The Finance Act, 1944 (Service Tax)	Disallowance of Service Tax Credit & Penalty	139.88	5.24	134.64	January 2012 to March 2012	Appellate Tribunal (CESTAT)-Kolkatta
The Central Excise Act, 1944	Disallowance of CENVAT Credit	41.42	3.10	38.32	FY 2011-12 to 2012-13	Commissionerate (Appeal)- Siliguri

(viii) 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 to banks during the year. The Company has not borrowed any money from financial institutions or debenture holders or Government.

(ix) During the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable to the Company.

(x) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to information and explanation given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company by its officers or employees.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

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

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

(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. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of the clause (xvi) of the Order are not applicable to the Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm registration number: 116560W/W100149

Milan Mody
Partner
Membership number: 103286

Mumbai
24th May, 2019

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2019

(Referred to in point 10f 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, 2019, 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, 2019, 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 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 registration number: 116560W/W100149

Milan Mody
Partner
Membership number: 103286

Mumbai
24th May, 2019

Standalone Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	78,515.58	55,111.92
(b) Capital work-in-progress	3	9,025.44	23,553.08
(c) Investment property	4	365.90	372.22
(d) Financial assets			
(i) Investments	5	24,169.70	8,324.83
(ii) Loans	6	6.39	6.94
(iii) Other financial assets	7	974.19	940.58
(e) Other non-current assets	8	4,655.20	1,246.34
		1,17,712.40	**89,555.91**
Current assets			
(a) Inventories	9	27,417.85	20,775.60
(b) Financial assets			
(i) Investments	10	80,075.13	89,555.14
(ii) Trade receivables	11	33,134.65	23,174.19
(iii) Cash and bank balances	12		
Cash & cash equivalents		18,865.82	66,030.88
Other bank balances		236.85	1,329.64
(iv) Loans	13	5.71	5.34
(v) Other financial assets	14	2,365.48	2,925.00
(c) Other current assets	15	23,121.29	17,409.21
		185,222.78	**2,21,205.00**
Non Current Assets held for sale	**3.6**	**87.19**	**-**
TOTAL ASSETS		**303,022.37**	**3,10,760.91**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	1,407.67	1,406.74
(b) Other equity	17	2,71,785.74	2,74,759.86
		2,73,193.41	**2,76,166.60**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	-	32.68
(b) Provisions	19	1,459.90	1,075.90
(c) Deferred tax liabilities (net)	20	749.57	3,429.01
(d) Other long term liabilities	21	469.21	469.21
		2,678.68	**5,006.80**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		258.04	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		19,011.33	21,150.94
(ii) Other financial liabilities	23	3,344.79	4,164.87
(b) Other current liabilities	24	3,411.06	1,875.18
(c) Provisions	25	1,125.06	1,935.27
(d) Current tax liabilities (net)		-	461.25
		27,150.28	**29,587.51**
TOTAL EQUITY AND LIABILITIES		**3,03,022.37**	**3,10,760.91**
Significant accounting policies & notes	**1 - 54**		

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
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

Neema Thakore
Head - Legal & Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN 02666678

Place: Mumbai
Date: 24th May, 2019

Standalone Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
CONTINUING OPERATIONS				
I	Revenue from operations (inclusive of excise duty upto June 2017)	26	96,773.89	66,646.97
II	Other income	27	10,154.23	6,288.60
III	**Total Income (I+II)**		**106,928.12**	**72,935.57**
IV	**EXPENSES**			
	Cost of materials consumed	28	44,317.29	34,582.10
	Purchases of Stock-in-Trade		20.86	16.11
	Changes in inventories of finished goods and work-in-progress	28	(3,053.94)	470.21
	Excise duty on sale of goods		-	39.34
	Employee benefits expense	29	17,755.75	14,653.63
	Finance costs	30	61.71	316.69
	Impairment loss on financial assets	31	863.42	511.71
	Depreciation and amortization expense	3	6,171.25	4,504.12
	Other expenses	32	42,949.80	29,996.70
	Total expenses (IV)		**109,086.14**	**85,090.61**
V	**Profit/(loss) before tax (III- IV)**		**(2,158.02)**	**(12,155.04)**
VI	Tax expense:			
	(1) Current tax	20	-	-
	(2) Deferred tax	20	(2,737.77)	1,257.90
	(3) Short / (Excess) provision for tax (earlier years)	20	(124.45)	(1,271.99)
VII	**Profit (Loss) for the year from continuing operations (V-VI)**		**704.20**	**(12,140.95)**
DISCONTINUED OPERATIONS				
VIII	Profit/(loss) from discontinued operations	46		
	A. Profit / (loss) from discontinued operations		246.96	15,358.12
	B. Gain on sale of identified business (net)		-	321,731.05
	Profit/(loss) for the year from discontinued operations (A+B)		246.96	337,089.17
IX	Tax expenses on discontinued operations	20	71.24	69,288.37
X	**Profit/(loss) from discontinued operations (after tax) (VIII-IX)**		**175.72**	**267,800.80**
XI	**Profit/(loss) for the year (VII+X)**		**879.92**	**255,659.85**
XII	Other Comprehensive Income	33		
	A (i) Items that will not be reclassified to profit or loss(net)		(41.41)	(180.08)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		12.92	-
	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 Other Comprehensive Income		**(28.49)**	**(180.08)**
XIII	**Total Comprehensive Income for the year (XI+XII)**		**851.43**	**255,479.77**
	Earnings per equity share(face value of Rs 2 each)	**47**		
XIV	Earnings per equity share (for continuing operations):			
	(1) Basic		1.00	(13.39)
	(2) Diluted		1.00	(13.39)
XV	Earnings per equity share (for discontinued operations):			
	(1) Basic		0.25	295.27
	(2) Diluted		0.25	295.08
XVI	Earnings per equity share (for discontinued & continuing operations):			
	(1) Basic		1.25	281.88
	(2) Diluted		1.25	281.70
Significant accounting policies & notes		**1 - 54**		

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
Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 24th May, 2019

Sandip Ghume
Deputy Chief Financial Officer

Neema Thakore
Head - Legal & Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN 02666678

Standalone Statement of Changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital

Particulars	2018-2019		2017-2018	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Shares outstanding as at the beginning of the year	**7,03,37,000**	**1,406.74**	**9,08,76,525**	**1,817.53**
Add: Shares allotted under ESOP during the year	46,250	0.93	60,475	1.21
Less: Buyback of shares during the year	-	-	(2,06,00,000)	(412.00)
Shares outstanding as at the end of the year	**7,03,83,250**	**1,407.67**	**7,03,37,000**	**1,406.74**

B. Other Equity

(₹ in Lakhs)

Particulars	Share application money pending allotment	Employee stock options outstanding account	Reserves and Surplus					Other Comprehensive Income	Total
			General Reserve	Securities Premium	Capital Reserve	Capital Redemption Reserve	Retained Earnings		
Balance at 31st March, 2017	**11.75**	**132.83**	**18,595.36**	**8,116.49**	**62.47**	**-**	**84,448.33**	**(111.96)**	**1,11,255.27**
Profit for the year	-	-	-	-	-	-	2,55,659.85	-	2,55,659.85
Other comprehensive income for the year	-	-	-	-	-	-	-	(180.08)	(180.08)
Payment of dividends (Incl. Tax on dividend)	-	-	-	-	-	-	(3,282.85)	-	(3,282.85)
Transfer to retained earnings	-	-	-	-	(62.47)	-	62.47	-	-
Recognition of share-based payments (ESOP)	-	(73.53)	-	-	-	-	-	-	(73.53)
Issue of shares under ESOP	(11.75)	-	-	117.02	-	-	-	-	105.27
Buyback of shares	-	-	(18,595.36)	(8,233.51)	-	-	(61,339.13)	-	(88,168.00)
Transaction costs related to buyback(net of tax)	-	-	-	-	-	-	(556.07)	-	(556.07)
Transfer to capital redemption reserve upon buyback	-	-	-	-	-	412.00	(412.00)	-	-
Balance at 31st March, 2018	**-**	**59.30**	**-**	**-**	**-**	**412.00**	**2,74,580.60**	**(292.04)**	**2,74,759.86**
Profit/(loss) for the year	-	-	-	-	-	-	879.92	-	879.92
Other comprehensive income for the year	-	-	-	-	-	-	-	(28.49)	(28.49)
Payment of dividends (Incl. Tax on dividend)	-	-	-	-	-	-	(4,239.75)	-	(4,239.75)
Recognition of share-based payments (ESOP) (net)	-	324.71	-	-	-	-	-	-	324.71
Issue of shares under ESOP	-	-	-	89.49	-	-	-	-	89.49
Balance at 31st March, 2019	**-**	**384.01**	**-**	**89.49**	**-**	**412.00**	**2,71,220.77**	**(320.53)**	**2,71,785.74**

Significant accounting policies & notes 1 - 54

Notes to Accounts form an integral part of standalone financial statements

Share application money pending allotment : Share application money pending allotment represents money received from shareholders/employees towards stock option shares, the allotment of which is not made indicate the share application money pending allotment.

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.

General reserve: The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

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

Capital reserve : In the previous year,capital reserve is reclassified to retained earnings considering there are no pending obligations against grants / subsidy received.

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 the section 69 of the Companies Act, 2013

Other comprehensive Income: The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company. The remeasurement gains/(losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
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

Neema Thakore
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN 02666678

Mumbai
24th May, 2019

Standalone Statements of Cash Flows for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
A. Cash Flow from Operating Activities				
Net Profit/(loss) before tax from continuing operations		(2,158.02)		(12,155.04)
Net Profit/(loss) before tax from discontinued operations		246.96		3,37,089.17
Net Profit before tax		**(1,911.06)**		**3,24,934.13**
Adjustments:				
Gain from sale of identified business	-		(3,21,731.05)	
Depreciation / amortisation (including investment property)	6,177.56		4,630.07	
Loss / (profit) on sale / discard of property, plant and equipment (net)	1,027.80		513.68	
Unrealised exchange difference (net)	320.54		(1,146.59)	
Expenses for purchase of investments	194.75		-	
Rent income	(190.52)		(102.26)	
Guarantee commission income	(252.26)		(189.62)	
Finance cost (including interest impact on financial assets / liabilities)	61.71		316.69	
Provision for doubtful debts, loans ,advances & deposits (net)	(754.39)		335.26	
Employees compensation expenses (ESOP)	349.65		16.88	
Fair value gain on investments (net)	(2,711.05)		(1,308.64)	
Interest income	(4,490.62)		(1,344.36)	
Excess provision for expenses written back	(205.75)		(98.32)	
Impairment loss on financial assets				
- investments in subsidiary	302.83		511.71	
- inter corporate deposits & interest thereon	560.59		-	
Dividend income	(1,099.12)		(1,839.89)	
		(708.28)		(3,21,436.44)
Operating Profit/(loss) Before Working Capital Changes		(2,619.34)		3,497.69
Working capital Adjustments(net of items transferred under slump sale in previous year) :				
Trade receivables & other assets	(13,798.82)		(6,909.00)	
Inventories	(6,642.25)		(5,848.77)	
Trade payable & other liabilities	(1,349.77)		2,433.51	
		(21,790.84)		(10,324.26)
Cash Generated from Operations		(24,410.18)		(6,826.57)
Direct taxes refund received (payment made)		(720.03)		201.07
Net Cash Flow from/(used in) Operating Activities A		**(25,130.21)**		**(6,625.50)**
B. Cash Flow from Investing Activities				
Purchase of property, plant & equipment including Capital WIP		(19,181.97)		(15,348.75)
Proceeds from sale of property, plant and equipment		276.33		70.86
Consideration from sale of identified business (net)		-		3,35,428.62
Tax paid on sale of identified business		-		(68,938.75)
Investments made				
- in subsidiaries (at cost)		(3,851.72)		(511.71)
- others (FVTOCI) [including incidental acquisition expenses]		(12,195.37)		-
Sale / (purchase) of current investment (net)		(2,524.49)		(87,444.36)
Inter - corporate deposits (placed) / matured		(500.00)		300.00
Rent received (including amount received in advance)		40.31		252.47
(Increase) / decrease in escrow bank accounts		1,092.79		(1,084.14)
Interest received		3,482.35		265.93
Dividend received		1,099.12		1,839.89
Net cash flow from / (used in) Investing Activities B		**(32,262.65)**		**1,64,830.06**
C. Cash Flow from Financing Activities				
Repayment of working capital borrowings		-		(55.14)
Proceeds from employee stock option plan		21.28		16.07
Payments for buyback of equity shares		-		(88,580.00)
Transaction costs related to buyback		-		(722.84)
Proceeds from issue of Commercial paper		-		1,449.41
Repayment of Commercial paper		-		(1,449.41)
Receipt / (payment) of long term loan from BIRAC		(46.94)		(6.07)
Finance cost paid (Incl. interest impact on financial assets / liabilities)		(228.59)		(306.52)
Dividend paid (inclusive of dividend tax)		(4,234.58)		(3,296.57)
Net cash flow from/(used) in Financing Activities C		**(4,488.83)**		**(92,951.07)**
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)		**(61,881.69)**		**65,253.49**
Cash and Cash Equivalents at the beginning of the year	**66,030.88**		**777.39**	
Add: Current Investments reclassified as cash and cash equivalents during the year	14,716.63		-	
		80,747.51		777.39
Cash and Cash Equivalents at year end		**18,865.82**		**66,030.88**

Significant accounting policies & notes 1 - 54

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
Registration No.: 116560W/W100149

For and on behalf of the Board of Directors

Milan Mody
Partner
Membership No.: 103286

Sandip Ghume
Deputy Chief
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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

Mumbai
24th May, 2019

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2019

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 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 2019 were approved and adopted by board of directors of the Company in their meeting dated 24th May, 2019.

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 amount:

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 to the nearest rupees in lakhs.

2.5. Use of significant accounting estimates, judgements and assumptions

The preparation of the financial statements requires 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 at 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, 25 and 34)

iv) Estimation of defined benefit plan and other long term benefits (refer note no 2.18, 19, 25 and 43)

v) Fair value measurement and impairment of financial instruments (refer note no 2.28, 31 and 53)

2.6. Revenue recognition

Revenue is recognized 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 inclusive of excise duty (upto 30th June 2017) and 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 recognized 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 recognized 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 arrangements is recognized 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.

Also refer note 2.30.

2.7. Taxes

Income Tax expenses for the year comprises of current tax, deferred tax charge or credit, minimum alternate tax 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 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 statement of profit or 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 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.

Minimum Alternate Tax Credit

The Company recognizes tax credits in the nature of Minimum Alternative Tax (MAT) credit as an asset only to the extent that there is convincing evidence that the Company will pay normal tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss.

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 realized 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 recognized 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.

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.

Dividend Distribution Tax

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognized in statement of changes in equity as part of associated dividend payment.

2.8. Property, plant and equipment (Tangible Assets) and depreciation

Subsequent to transition to Ind AS, 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 the PPEs are as follows:

Nature of assets	Useful life
Leasehold land	Over lease period [30 to 90 years]
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 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 method are reviewed at the end of each reporting period, with the effect of any changes in estimate 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. 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 it's useful life (of 60 years) using the straight line method.

The Company had applied one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2015 as the deemed cost under Ind AS. During the year, there are amendments to Ind AS 40' Investment Property' and it does not impact Company's standalone financial statements.

2.10. Computer software's / licenses

Standalone software's / licenses cost is fully charged off to Statement of Profit and Loss in the year of expenditure. These software's / licenses are for administrative purposes.

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 co-ordinated 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 assets 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 transactions. 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 or loss or other comprehensive income respectively).

Also refer note 2.30.

2.15. Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

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 recognized in the statement of profit and loss. Past service cost are immediately recognized 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 recognized in other comprehensive income and are not reclassified to statement of profit or 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.

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 effects.

2.25. 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 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 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 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 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. The Company had elected to adopt the carrying value under previous GAAP as on the date of transition i.e. 1st April, 2015 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 recognizes 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 recognized as an impairment gain or loss in profit or 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 2019

The following standards issued / modified by MCA become effective w.e.f. 1st April 2019.

Particulars	Effective date
New Ind AS issued	
Ind AS 116 - Leases	1st April 2019
Amendments to existing Ind Accounting Standard	
Ind AS 12 - Income Taxes	1st April 2019
Ind AS 19 - Employee Benefits	1st April 2019
Ind AS 23 - Borrowing costs	1st April 2019
Ind AS 28 - Investments in Associates and Joint Ventures	1st April 2019
Ind AS 109 - Financial Instruments	1st April 2019

The Company does not expect these amendments and implementation of New Ind AS 116 to have any significant impact on its financial statements.

2.30. Amendments in Ind AS and its financial statements

Amendment to Ind AS 115 Revenue from contracts with customers: Effective April 1, 2018, the Company has adopted Ind AS 115, "Revenue from Contracts with Customers". Adoption of this standard does not have any impact on any sale recognition prior to effective date of this standard.

Amendment to Ind AS 21 The effects of changes in foreign exchanges rates: Effective April 1, 2018 the Company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

3. PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Particulars	Property, Plant & equipment								Capital work-in -progress
	Freehold land	Leasehold land	Buildings **	Plant & equipment	Furniture & fixture	Vehicles	Office equipment	Total	
Gross carrying value, at cost									
As at 31st March, 2017	378.01	2,312.89	20,055.44	29,748.56	510.75	277.52	280.92	53,564.09	24,725.96
Additions	-	65.04	3,720.62	11,906.98	35.11	82.53	113.06	15,923.34	13,850.36
Disposal	-	-	-	369.33	22.73	28.75	19.41	440.22	15,023.24
Transfer under slump sale	-	674.88	1,462.58	1,333.65	20.80	19.95	26.94	3,538.80	-
As at 31st March, 2018	**378.01**	**1,703.05**	**22,313.48**	**39,952.56**	**502.33**	**311.35**	**347.63**	**65,508.41**	**23,553.08**
Additions	-	1,338.46	7,599.08	20,545.92	211.45	159.73	294.35	30,148.99	12,514.04
Disposal/held for sale	-	-	207.51	1,342.60	24.17	139.79	5.69	1,719.76	27,041.68
As at 31st March, 2019	**378.01**	**3,041.51**	**29,705.05**	**59,155.88**	**689.61**	**331.29**	**636.29**	**93,937.64**	**9,025.44**
Accumulated Depreciation / amortisation									
As at 31st March, 2017	-	111.81	1,370.69	5,300.95	173.58	78.21	111.83	7,147.07	-
Charge for the year-continued	-	61.13	783.25	3,399.75	89.15	80.84	90.00	4,504.12	-
Charge for the year- discontinued	-	0.41	32.81	82.03	1.53	2.15	0.71	119.64	-
Charged to CWIP		3.11	-	-	-	-	-	3.11	-
Disposal	-	-	-	318.90	18.71	19.31	15.15	372.07	-
Transfer under slump sale	-	5.94	358.11	603.03	17.06	16.70	4.54	1,005.38	-
As at 31st March, 2018	**-**	**170.52**	**1,828.64**	**7,860.80**	**228.49**	**125.19**	**182.85**	**10,396.49**	**-**
Charge for the year-continued	-	55.84	1,081.94	4,721.00	93.10	74.17	145.20	6,171.25	-
Charged to CWIP		1.04		-	-	-	-	1.04	
Disposal/held for sale	-	-	21.65	1,008.71	4.62	110.50	1.24	1,146.72	-
As at 31st March, 2019	**-**	**227.40**	**2,888.93**	**11,573.09**	**316.97**	**88.86**	**326.81**	**15,422.06**	**-**
Net book value									
As at 31st March, 2019	**378.01**	**2,814.11**	**26,816.12**	**47,582.79**	**372.64**	**242.43**	**309.48**	**78,515.58**	**9,025.44**
As at 31st March, 2018	378.01	1,532.53	20,484.84	32,091.76	273.84	186.16	164.78	55,111.92	23,553.08

** Buildings include one Flat (P.Y three Flats and a Garage) amounting to ₹97.16 lakhs (P.Y. ₹147.19 lakhs) where the co-operative society is yet to be formed.

Notes :

1. Building includes cost of shares in cooperative societies ₹0.56 lakhs (P.Y. ₹0.56 lakhs)
2. Capital work-in-progress includes ₹2,697.87 lakhs (P.Y. ₹1,610.99 lakhs) on account of cost of construction
3. The amount of capital commitment disclosed in note 36(a)
4. In previous year, certain property plant and equipment were hypothecated /mortgaged as security for borrowing as disclosed under note 37(b).
5. Addition to property plant and equipment and CWIP includes ₹1,949.88 Lakhs (P.Y. ₹445.78 Lakhs) being expenditure on Research and Development as under

(₹ in Lakhs)

Assets Description	2018-2019	2017-2018
Buildings	129.66	-
Plant & Machinery	1,779.63	437.57
Furniture & Fixtures	6.68	6.95
Office Equipment	18.19	1.26
Capital Work in Progress	15.72	-
Total	**1,949.88**	**445.78**

6. Non Current Assets held for sale as on 31st March 2019 represents plant and equipment which are held for disposal and valued at the lower of their carrying amount and fair value less costs to sell. These assets are expected to be disposed off in the next 12 months. Expected loss on above assets is recognised and grouped under Other expenses (loss on sale /discard of Property, plant and equipment- note 32)

4. INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Gross Carrying amount		
Opening gross Carrying amount	398.81	398.81
Additions	-	-
Closing gross carrying amount	**398.81**	**398.81**
Accumulated depreciation		
Opening accumulated depreciation	26.59	20.28
Depreciation charge(netted off from rent income)	6.31	6.31
Closing accumulated depreciation	**32.90**	**26.59**
Net carrying Amount	**365.91**	**372.22**

i) Amounts recognised in statement of profit and loss for investment property

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Rental Income	40.60	39.93
Depreciation	6.31	6.31
Net income from investment property	**34.29**	**33.62**

ii) Operating lease agreement is cancellable. The fair value of the property is not readily available however based on the annual rent income earned by the company, the fair value would be higher than the carrying value of the assets.

5 INVESTMENTS (NON-CURRENT)

Particulars	No of Shares As at 31st March, 2019	No of Shares As at 31st March, 2018	Face value	₹ in lakhs As at 31st March, 2019	₹ in lakhs As at 31st March, 2018
(I) At Cost :					
UNQUOTED					
Equity Instruments of subsidiaries (fully Paid)					
Unichem Farmaceutica Do Brasil Ltda	3,01,33,683	2,85,14,583	1 Brasil Real	7,086.72	6,783.89
Less : Impairment in value of investments (refer note 39)				(7,086.72)	(6,783.89)
Sub Total				-	-
Niche Generics Limited,UK * (refer note 5.2)	41,25,000	6,25,000	1 Pound	5,843.93	2,584.24
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$	3,308.53	3,098.82
Unichem Laboratories Limited , Ireland * (refer note 5.2)	17,00,000	12,50,000	1 Euro	1,262.88	886.95
Sub Total				**10,427.48**	**6,582.15**
Equity Instruments of Associates (fully Paid)					
Synchron Research Services Private Limited	2,08,333	2,08,333	₹10	569.31	569.31
Sub Total				**569.31**	**569.31**
Total (a)				**10,996.79**	**7,151.46**
Preferences Shares of subsidiaries (fully Paid)					
12% Redeemable Preference Shares Niche Generics Limited,UK (refer note 5.1 & 5.2)	15,00,000	15,00,000	1 Pound	1,164.79	1,164.79
Total (b)				**1,164.79**	**1,164.79**
Total of Investments measured at cost (a+b)				**12,161.58**	**8,316.25**
(II) At fair value through profit and loss (FVTPL)					
UNQUOTED					
Equity Instruments (fully Paid)					
Mediklin Healthcare Limited	2,02,500	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	5.27	6.25
Jindal Poly Investment and Finance Company Ltd	500	500	₹10	0.17	0.29
Aurobindo Pharma Ltd	8	8	₹1	0.06	0.04
Kothari Industrial Corporation Ltd	20	20	₹5	-	-
Sub Total				**5.50**	**6.58**
Total of Investments measured at FVTPL				**7.50**	**8.58**
(III) At fair value through Other comprehensive Income (FVTOCI)					
UNQUOTED					
Equity Instruments (fully Paid)					
Optimus Drugs Private Limited	17,04,034	-	₹10	7,208.06	-
Optrix Laboratories Private Limited	21,98,423	-	₹10	4,792.56	-
Total of Investments measured at FVTOCI				**12,000.62**	**-**
Total				**24,169.70**	**8,324.83**
Aggregate book value of unquoted investments				24,164.20	8,318.25
Aggregate amount of impairment in value of investments				(7,086.72)	(6,783.89)
Aggregate book value of quoted investments				5.50	6.58
Aggregate market value of quoted investments				5.50	6.58

* Increase in investments includes additional contributions by the Company in subsidiaries in the form of guarantee commission and share based payments to employee of subsidiary.

5.1 Subsequent to year end, these Preference shares are converted to equity shares and accrued dividends have been waived.

5.2 In case of these subsidiaries, there are operating losses in current year, 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 LOANS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good.		
Loans to Employees	6.39	6.94
Total	**6.39**	**6.94**

7 OTHER FINANCIAL ASSETS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Inter Corporate Deposits	500.00	500.00
(Net of provision for Impairment loss of ₹500 Lakhs, P.Y. ₹Nil Lakhs) [refer note no. 31]		
Deposits		
Considered Good	474.19	440.58
Considered Doubtful	56.04	42.47
Less :Allowance for Doubtful deposits	56.04	42.47
	474.19	**440.58**
Total	**974.19**	**940.58**

8 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital advances	3,242.83	251.15
(Net of provision for Doubtful advances, ₹ 11.86 Lakhs, P.Y. ₹11.86 Lakhs)		
Balance with government authorities	64.75	30.80
Advance income tax (net of provision)	1,347.62	964.39
Total	**4,655.20**	**1,246.34**

9 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw Materials	14,776.24	11,502.97
[Include ₹1,400.45 Lakhs in transit, (P.Y ₹174.42 Lakhs)]		
Packing Materials	2,213.67	1,933.16
Work-in- Progress	7,076.45	5,273.23
Finished Goods	3,022.84	1,772.12
[Include ₹90.73 Lakhs in transit, (P.Y ₹101.93 Lakhs)]		
Stores and Spares	328.65	294.12
Total	**27,417.85**	**20,775.60**

Note :

1) During the year ended 31st March 2019, ₹1,391.10 Lakhs (P.Y ₹399.90 lakhs) was recognised as an expenses for inventories carried at net realisable value
2) Refer note 2.16 for accounting policy for inventory valuation.

10 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	No of Units		Amount	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
At fair value through profit and loss (FVTPL)				
QUOTED				
INVESTMENT IN MUTUAL FUNDS				
Aditya Birla Sun Life Corporate Bond fund	-	13,29,03,092.48	-	17,221.06
Edelweiss Arbitrage Fund- Monthly Div. direct plan	-	10,95,227.08	-	102.70
Kotak Equity Arbitrage Fund- Direct Plan	-	9,31,604.03	-	164.60
L&T Resurgent India Corporate Bond Fund Growth	3,91,15,366.86	3,91,15,366.86	5,268.20	4,983.11
Reliance Arbitrage Adv. Fund - Dir.Monthly Dividend	-	2,15,492.11	-	17.55
Reliance Corporate Bond Fund - Growth plan	-	10,87,09,831.72	-	15,081.28
ICICI Prudential Liquid fund - Direct Plan - Growth	21,87,957.21	-	6,047.87	-
SBI Liquid Fund Direct Growth	3,27,056.82	-	9,578.09	-
HDFC Liquid fund- Direct Plan- Growth	3,07,838.00	-	11,323.16	-
Reliance Money Manager Fund - Direct Growth Plan	-	1,06,480.71	-	2,549.76
INVESTMENT IN PERPETUAL BOND				
HDFC Bank Limited Sr-1 8.85 BD	1,080.00	1,080.00	10,680.41	11,453.76
Axis Bank Limited Sr-26 8.75 NCD	1,700.00	1,700.00	16,589.48	16,875.54
State Bank of India Sr-III 8.39 BD	2,100.00	2,100.00	20,587.92	21,105.78
Total			**80,075.13**	**89,555.14**
Aggregate book value of quoted investments			80,075.13	89,555.14
Aggregate market value of quoted investments			80,075.13	89,555.14

Refer note 37(b) for investments pledged with Citibank N.A.

11 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Considered good - Secured	-	1,101.57
Unsecured, Considered good	33,134.65	22,072.62
Considered Doubtful	456.25	1,236.12
Less : Allowance for doubtful receivables	(456.25)	(1,236.12)
Total	**33,134.65**	**23,174.19**

1) Trade Receivables are secured against customer advances.
2) Unsecured trade receivables includes ₹ 22,021.27 lakhs (P.Y. ₹ 15,111.46 lakhs) receivables from subsidiaries.
3) The movement in allowance for doubtful receivables is as follows

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Opening balance	1,236.12	602.13
Add : Allowance for doubtful receivables made during the year	-	633.99
Less : Allowance for doubtful receivables reversed during the year	(779.87)	-
Closing balance	**456.25**	**1,236.12**

12 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	No of Units		Amount	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
(a) Cash & cash equivalents				
(i) Balances with banks				
In Current Accounts			1,049.02	1,591.27
(ii) Cash on hand			8.07	9.28
(iii) Investments in Mutual Fund (At FVTPL)				
Quoted				
Baroda Pioneer Liquid Fund Plan A Growth	-	10,070.86	-	200.34
DSP BlackRock FMP series 222 - 3 M Direct Growth	-	20,00,000.00	-	201.54
Edelweiss arbitrage Fund- Monthly dividend direct plan	3,23,96,357.76	6,82,51,813.69	4,080.02	8,533.66
HDFC Medium Term Opportunities Fund- Direct Plan	-	3,13,18,304.71	-	6,078.16
HDFC Liquid fund- Direct Plan- Growth Option	17,934.13	-	659.67	-
HDFC Overnight Fund - Direct Plan - Growth	86,183.71	-	2,432.43	-
ICICI Prudential Liquid fund - Direct Plan - Growth	-	17,23,793.35	-	5,772.87
IDFC Corporate bond Fund Direct Plan	-	11,05,97,823.35	-	13,238.89
Kotak Bond (Short Term)- Direct Plan	-	3,17,26,942.82	-	10,685.13
Kotak Equity Arbitrage Fund- Direct Plan	3,36,32,285.95	5,12,88,593.76	7,916.67	12,082.57
Kotak Treasury Advantage Fund Direct Plan	-	1,80,71,940.78	-	5,101.82
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	2,47,35,904.52	2,33,48,139.40	2,719.94	2,535.35
			18,865.82	**66,030.88**
(b) Other bank balances (Restricted bank balances)				
In Unpaid Dividend Account			236.85	231.68
In Escrow Accounts (buyback related)			-	1,097.96
			236.85	**1,329.64**
Total			**19,102.67**	**67,360.52**
Aggregate book value of quoted investments			17,808.73	64,430.33
Aggregate market value of quoted investments			17,808.73	64,430.33

13 LOAN-CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
Loans to Employees	5.71	5.34
Total	**5.71**	**5.34**

14 OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Insurance claims receivables	-	2.72
Accrued Interest on bonds and fixed deposits (Net of provision for Impairment loss, ₹60.59 Lakhs, P.Y. ₹ Nil Lakhs)	2,123.86	1,115.59
Others*	241.62	1,806.69
Total	**2,365.48**	**2,925.00**

* including amounts recoverable for payments made in respect of discontinued operations in previous year

15 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured , Considered Good		
Prepaid Expenses	1,296.34	1,007.93
Balances with Revenue Authorities (Including refund receivables)	16,990.87	13,444.96
Advance against materials & expenses	2,219.75	1,100.44
Export incentive receivable	2,017.02	1,524.50
Other receivables /advances	597.31	331.38
Sub Total	**23,121.29**	**17,409.21**
Doubtful		
Other advances	159.27	147.41
Less :Allowance for Doubtful Advances	159.27	147.41
Sub Total	**-**	**-**
Total	**23,121.29**	**17,409.21**

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

Particulars	2018-2019	2017-2018
Opening balance (refer note 7,8,14 and 15)	201.74	221.32
Add : Allowance for doubtful advances made during the year	586.02	-
Less : Allowance for doubtful advances reversed during the year	-	19.58
Less : Advances written off during the year	-	-
Closing balance	**787.76**	**201.74**

16 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars		As at 31st March, 2019	As at 31st March, 2018
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, 2019	As at 31st March, 2018
ISSUED, SUBSCRIBED AND FULLY PAID UP		
70,383,250 Equity Shares of ₹ 2/- each fully paid up (P.Y 7,03,37,000 Equity Shares of ₹ 2/- each fully paid up)	1,407.67	1,406.74
Total	**1,407.67**	**1,406.74**

16.1 Reconciliation of Number of Shares (Equity)	2018-2019		2017-2018	
	No of Shares	Amount (₹ in lakhs)	No of Shares	Amount (₹ in lakhs)
Shares outstanding as at the beginning of the year	70,337,000	1,406.74	90,876,525	1,817.53
Add: Shares allotted under ESOP during the year	46,250	0.93	60,475	1.21
Less: Buyback of shares during the year	-	-	20,600,000	412.00
Shares outstanding as at the end of the year	**70,383,250**	**1,407.67**	**70,337,000**	**1,406.74**

16.2 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.

16.3 Shareholders holding more than 5 per cent of total Equity Shares of the Company

Name of the Shareholders	As at 31st March, 2019		As at 31st March, 2018	
	No of Shares	% held	No of Shares	% held
Dr. Prakash Amrut Mody *	3,24,19,392	46.06	3,24,19,392	46.09

* Consequent upon buyback during FY 2017-18, there is no dilution in shareholding of promoter group.

16.4 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 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
SHARE APPLICATION MONEY PENDING ALLOTMENT		
Balance at beginning of year	-	11.75
Less: Allotment of shares under ESOP	-	(11.75)
Balance at end of year	**-**	**-**
CAPITAL RESERVE		
Balance at beginning of year	-	62.47
Add : Additions /(deductions) during the year	-	(62.47)
Balance at end of year	**-**	**-**
CAPITAL REDEMPTION RESERVE		
Balance at beginning of year	412.00	-
Add : Additions /(deductions) during the year on account of buy back	-	412.00
Balance at end of year	**412.00**	**412.00**
SECURITIES PREMIUM		
Balance at beginning of year	-	8,116.49
Add : Additions /(deductions) during the year	89.49	117.02
Less: Buy back of shares (refer note 17.1)	-	(8,233.51)
Balance at end of year	**89.49**	**-**
SHARE OPTIONS OUTSTANDING ACCOUNT		
Balance at beginning of year	102.57	263.03
Add : Additions during the year	1,933.96	-
Less : Deduction during the year	(69.13)	(160.46)
	1,967.40	102.57
Less: Deferred Employees' stock compensation	(1,583.39)	(43.27)
Balance at end of year	**384.01**	**59.30**
GENERAL RESERVE		
Balance at beginning of year	-	18,595.36
Less: Buy back of shares (refer note 17.1)	-	(18,595.36)
Balance at end of year	**-**	**-**
OTHER COMPREHENSIVE INCOME		
Remeasurements of defined benefit plans		
Balance at beginning of year	(292.04)	(111.96)
Add/(Less): Movements during the year	(28.49)	(180.08)
Balance at end of year	**(320.53)**	**(292.04)**
RETAINED EARNINGS		
Balance at beginning of year	274,580.60	84,448.33
Add: Profit for the year	879.92	255,659.85
Add: Transfer from Capital reserve	-	62.47
Less : Appropriations :		
Transfer to capital reduction reserve	-	412.00
Buyback of shares (refer note 17.1)	-	61,339.13
Transaction costs related to buyback (net of tax of ₹ NIL , P.Y. ₹166.77 lakhs)	-	556.07
Final Dividend paid (Incl. Tax on dividend)	4,239.75	3,282.85
Balance at end of year	**271,220.77**	**274,580.60**
Total Reserves & Surplus	**271,785.74**	**274,759.86**

17.1 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).

17.2 In respect of the year ended 31st March, 2019,the Board of Directors at its meeting held on 24th May, 2019 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 (including tax on dividend) to be paid is ₹3,394.16 Lakhs.

18 BORROWINGS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
SECURED		
Term Loan (other than Banks) :		
Loan from BIRAC	-	32.68
Total	**-**	**32.68**

18.1 The Company had taken term loan from BIRAC carrying interest at the rate of 2% per annum, repayment in 10 equal half yearly instalments commencing from 14th Oct, 2016 which has been fully settled during the year. (Refer note No. 37 (a))

Using prevailing market rates for an equivalent loan of 10 %, the fair value of the loan at initial recognition is estimated at ₹37.66 Lakhs. The difference of ₹13.77 Lakhs between gross proceeds and the fair value of the loan is the benefit derived from the below market interest loan and is recognised as deferred revenue (Note - 23). Interest expenses of ₹3.33 lakhs(P.Y. ₹4.34 Lakhs) is recognised in statement of profit and loss.(refer note no 30)

19 PROVISIONS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits :		
Leave benefits	1,274.87	1,075.90
Long term bonus	185.03	-
Total	**1,459.90**	**1,075.90**

20 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liability(Net)	749.57	3,429.01
	749.57	**3,429.01**

20.1 During the year ended 31st March, 2019 deferred tax assets is recognised on tax loss (which includes weighted deduction in respect of R&D expenditure and excludes exempt income), unabsorbed tax depreciation and other temporary differences which will be offset against deferred tax liability

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

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Current tax:		
Current tax on profits for the year	-	74,068.00
MAT credit availed for earlier years*	-	(4,501.23)
Adjustments for current tax of prior periods**	(124.45)	(1,271.99)
Total Current tax expense	**(124.45)**	**68,294.78**
Deferred Tax:		
Decrease (increase) in Deferred Tax Assets	(4,845.22)	778.16
(Decrease) Increase in Deferred Tax Liabilities	2,178.69	201.34
Total Deferred tax expense /(credit)	**(2,666.53)**	**979.50**
Aggregate income tax expense [continued and discontinued operations]	**(2,790.98)**	**69,274.28**

* MAT credit for earlier year was recognised to the extent of utilisation in previous year.
** Short / excess provision for income tax (net) of earlier years is on account of final tax liability as per returns filed and assessments completed

20.3 Income tax expense recognized in other comprehensive income and other equity:

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Net Loss/(Gain) on Re-measurements of Defined Benefit Plans		
Current income tax	-	-
Deferred tax	(12.92)	-
Income Tax Expense/(Income) Charged to OCI	**(12.92)**	**-**
Current income tax recognised in reserves netted off against transaction costs of buyback	-	(166.77)
Income Tax Expense/(Income) credited to reserves	**-**	**(166.77)**

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

(₹ in Lakhs)

Particulars	2018-19	2017-18
Profit / (loss) from continuing operations before Income Tax	(2,158.02)	(12,155.04)
Profit from discontinued operations (including gain on sale of identified business in previous year) before Income Tax	246.96	3,37,089.17
Total profit/(loss) before income taxes	**(1,911.06)**	**3,24,934.13**
At India's Statutory Income Tax Rate of 31.20% (31st March, 2018: 34.608%)	(596.25)	1,12,453.20
Adjustments to reconcile expected income tax expense to reported income tax expense		
Weighted deduction allowed in respect of research and development expenses	(1,977.15)	(1,619.74)
Effect of expenses not deductible in determining taxable profit	139.57	1,387.49
Effect of income exempt from taxation	(342.93)	(636.75)
Capital gain taxable at lower rate	-	(37,320.19)
Adjustments for current tax of prior periods	(124.45)	(1,271.99)
Others (net)	110.23	(3,742.46)
Revision in education cess	-	24.72
Adjusted income tax expenses	**(2,790.98)**	**69,274.28**
Effective Income Tax Rate	**-146.04%**	**21.32%**

20.5 Reflected in the Balance Sheet as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liabilities		
Depreciation and amortisation	8,221.57	6,042.87
Others	73.21	123.08
	8,294.78	**6,165.95**
Deferred Tax Assets		
Allowance for doubtful trade receivables	142.35	385.67
Allowance for doubtful advances	49.69	59.24
Allowance for impairment in value of investments	1,474.04	1,411.05
Allowance for impairment in value of other financial assets	174.90	-
Provision for employee benefits	589.99	481.16
Business loss / unabsorbed depreciation	4,689.45	-
Others	424.79	399.82
	7,545.21	2,736.94
Deferred Tax Liabilities (net)	**749.57**	**3,429.01**

20.6 Movement of deferred tax during the year 2018-2019

(₹ in Lakhs)

Particulars	Opening balance 1st April 2018	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March 2019
Deferred tax liabilities in relation to				
Depreciation and amortisation	6,042.87	2,178.70	-	8,221.57
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(385.67)	243.32	-	(142.35)
Allowance for doubtful advances	(59.24)	9.55	-	(49.69)
Allowance for impairment in value of investments	(1,411.05)	(62.99)	-	(1,474.04)
Allowance for impairment in value of other financial assets	-	(174.90)	-	(174.90)
Provision for employee benefits	(481.16)	(95.91)	(12.92)	(589.99)
Business loss / unabsorbed depreciation	-	(4,689.45)	-	(4,689.45)
Others	(276.74)	(74.84)	-	(351.58)
Deferred tax Liabilities net	**3,429.01**	**(2,666.52)**	**(12.92)**	**749.57**

Movement of deferred tax during the year 2017-2018

(₹ in Lakhs)

Particulars	Opening balance 1st April, 2017	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March, 2018
Deferred tax liabilities in relation to				
Depreciation and amortisation	5,964.62	78.25	-	6,042.87
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(208.39)	(177.28)	-	(385.67)
Allowance for doubtful advances	(72.49)	13.25	-	(59.24)
Allowance for impairment in value of investments	(2,181.19)	770.14	-	(1,411.05)
Provision for employee benefits	(956.04)	474.88	-	(481.16)
Others	(97.00)	(179.74)	-	(276.74)
Deferred tax Liabilities net	**2,449.51**	**979.50**	**-**	**3,429.01**

21 OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured		
Others(Customer Advances)	469.21	469.21
Total	**469.21**	**469.21**

22 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 22.1)	258.04	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	19,011.33	21,150.94
Total	**19,269.37**	**21,150.94**

22.1

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Principal amount remaining unpaid to any suppliers as at 31st March	258.04	-
Interest due thereon remaining unpaid to any suppliers as at 31st March	-	-
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	-	-
The amount of interest due and payable for the period of delay in making payments	-	-
The amount of interest accrued and remaining unpaid as at 31st March	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The information has been given in respect of such suppliers to the extent they could be identified as micro and small enterprises on the basis of information received and available with the Company. Auditors have relied on the same.

23 OTHER FINANCIAL LIABILITY-CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unclaimed Dividend	236.85	231.68
Current maturity of long term loan (BIRAC)	-	10.93
Deposits /Advances from Customers	19.64	1,101.57
Payable for employee benefits	1,386.06	1,366.76
Payable for Capital Goods (refer note 22.1)	1,702.24	1,453.93
Total	**3,344.79**	**4,164.87**

24 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Other Payables		
Statutory Dues	2,836.70	1,398.59
Revenue received in advance (refer note 24.1)	155.78	461.58
Others	418.58	15.01
Total	**3,411.06**	**1,875.18**

24.1 It includes ₹155.78 lakhs (P.Y. ₹51.45 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.

25 PROVISIONS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits :		
Defined benefit plan	159.95	175.11
Leave benefits	426.26	291.18
Others Provisions		
Expiry and other claims (refer note 25.1)	538.85	1,468.98
Total	**1,125.06**	**1,935.27**

25.1 The Company has made provision towards expected returns from market which are primarily in the nature of expired or near expiry products and other claims. 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	2018-2019	2017-2018
Opening Balance	**1,468.98**	**729.39**
Add : provisions made	462.92	1,468.98
Less: utilisations	1,393.05	729.39
Less: reversals	-	-
Closing balance	**538.85**	**1,468.98**

26 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sale of products (including excise duty upto June 2017) *	91,040.57	62,660.07
Other operating revenues		
Export benefits	4,072.77	3,260.17
Other operating revenues	1,660.55	726.73
	5,733.32	3,986.90
Total Revenue from Operations	**96,773.89**	**66,646.97**

* Revenue for periods upto 30th June, 2017 are inclusive of excise duty. As per Ind AS, the revenue is disclosed net of GST after 30th June, 2017. Accordingly, the revenue for the current year are not strictly comparable to the previous year.

26.1 Disclosure for disaggregation of revenue :

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Formulations	78,391.67	51,427.87
Bulk Drugs and chemicals	12,648.90	11,232.20
Total	**91,040.57**	**62,660.07**

27 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Income (Refer note 27.1)	4,490.62	1,344.36
Dividend Income on investments measured at Fair value through Profit and loss	1,099.12	1,839.89
Net gain on investments measured at Fair value through Profit and loss	2,711.05	1,308.64
Profit on sale of property, plant and equipment (net)	-	2.71
Other non-operating Income (guarantee commission, lease rent, etc.(net))	497.94	338.52
Net gain / (Loss) on foreign currency translation and transactions	1,355.50	1,454.48
Total	**10,154.23**	**6,288.60**

27.1 Details of interest income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Income on financial assets measured at amortised cost/others	110.94	307.46
Interest Income on investments measured at Fair value through Profit and loss	4,379.68	1,036.90

28 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Raw Materials	36,969.59	26,970.63
Packing Materials	7,347.70	7,611.47
Total	**44,317.29**	**34,582.10**

CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN- PROGRESS (₹ in Lakhs)

Inventories at the Commencement		
Finished Goods	1,772.12	2,864.88
Work in progress	5,273.23	4,650.68
	7,045.35	**7,515.56**
Inventories at year end		
Finished Goods	3,022.84	1,772.12
Work in progress	7,076.45	5,273.23
	10,099.29	**7,045.35**
(Increase) / Decrease in Finished Goods	(1,250.72)	1,092.76
(Increase) / Decrease in Work in progress	(1,803.22)	(622.55)
Total change in inventory for continued operations	**(3,053.94)**	**470.21**

29 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries & wages	15,680.72	13,099.30
Contribution to Provident and other funds	1,131.43	1,081.05
Expenses on employee stock option plan	349.65	16.88
Staff welfare expenses	593.95	456.40
Total	**17,755.75**	**14,653.63**

30 FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest expense	10.10	291.19
Unwinding of interest	3.33	4.34
Other borrowing costs	48.28	21.16
Total	**61.71**	**316.69**

31 IMPAIRMENT LOSS ON FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Impairment of other financial asset (refer note 31.1)	560.59	-
Impairment loss allowance in value of investments in Subsidiary (refer note 39)	302.83	511.71
	863.42	**511.71**

31.1 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 50% of the principal amount and interest accrued thereon. Refer note 7 & 14.

32 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Consumption of Stores and Spares	2,099.05	1,337.92
Power and Fuel	7,542.52	4,826.33
Rent	38.87	41.57
Insurance	324.05	318.57
Repairs:		
Plant and Machinery	1,400.85	1,224.57
Buildings	509.80	317.17
Others	1,186.27	1,058.61
Rates and Taxes	235.72	442.23
Advertising and sales promotion	12.79	139.90
Travelling and Conveyance	584.31	364.36
Freight outward	8,703.79	4,657.42
Directors' sitting fees	46.50	65.79
Commission on sales	-	498.85
Legal & Professional Expenses	2,117.80	1,099.13
Contribution towards Corporate Social Responsibility	156.51	92.49
Establishment and Administrative Expenses	17,081.67	13,100.73
Loss on discard/sale of property, plant and equipment (net)	909.30	411.06
Total	**42,949.80**	**29,996.70**

33 OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A (i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(41.41)	(180.08)
A (ii) Income tax relating to items that will not be reclassified to profit or loss	12.92	-
Total comprehensive Income	**(28.49)**	**(180.08)**

34 CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
(i) Claims not acknowledged as debts*.	1,797.19	1,534.26
(ii) Fine imposed by European Commission (refer note no. 35)	10,890.20	-
(iii) In respect of the Guarantees given to Bank on behalf of Subsidiaries (also refer note 37 (b))	24,254.84	23,721.00
(iv) Other money for which the company is contingently liable	1,889.04	299.81
(v) Other bank guarantees	369.14	411.28
Total	**39,200.41**	**25,966.35**

* includes ₹248.58 lakhs (P.Y ₹120.58 Lakhs) sales tax refund amount kept on hold, amount paid under protest/deposit pending adjudication under Income tax Act ,1961 and Central Excise Act 1944.

Future cash outflow, if any ,will be based on the outcome of the appeals in case of disputed (a) statutory dues and (b) European Commission matter as elaborated in note 35 below . The company does not expect any cash outflow in other matters mentioned above.

(vi) Claims made by the ex-employees whose services have been terminated in earlier years are not acknowledged as debts, the exact liability, whereof is not ascertainable. The matters are disputed under various forums. However in the opinion of the management, these claims are not tenable.

35 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, has filed an appeal against the decision of General Court before the Court of Justice of the EU and outcome of the appeal is awaited. Considering the above, in view of the management, no provision for the aforesaid fine is considered necessary. Based on above, fine imposed by the EU of Euro 13.96 million (equivalent to ₹10,890.20 lakhs) is disclosed under contingent liability in current year.

36 (a) Estimated amount of Contracts remaining to be executed (Net of Advances) on Capital account ₹10,180.71 lakhs (P.Y. ₹3,167.75 lakhs) and on other revenue accounts ₹17,941.32 lakhs (P.Y. ₹13,104.27 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 35), the Company will consider all available options to assist the subsidiary.

37 (a) Loan from Biotechnology Industry Research Assistance Council (BIRAC) was fully repaid during the year and was secured against hypothecation of movable properties including any and all equipment , apparatus machineries , machineries spares , tools and other accessories , goods and / or other moveable property , present and future , situated at Bio -technology R&D Centre , Goa.

(b) Credit facilities from Citibank, N.A. availed by the Company and its subsidiaries [Unichem Laboratories Limited(Ireland), Unichem Pharmaceuticals (USA) Inc. (USA), Niche Generics Limited(United Kingdom)] are secured by way of a pledge against investments in mutual funds to the extent of ₹32,217.32 lakhs. (P.Y. ₹33,084.66 lakhs). Out of ₹32,217.32 lakhs, the Company is in process of completing pledge formalities in respect of mutual funds of ₹26,949.12 lakhs (P.Y. ₹ Nil).

38 As per Ind AS 108- "Operating Segment", segment information has been provided under the Notes to Consolidated Financial Statements.

39 The Company has reviewed its investments in wholly owned subsidiaries. In respect of its investment in Unichem Farmaceutica Do Brasil Ltda , Brazil , Impairment loss recognised for this investment for the year ₹302.83 Lakhs (P.Y. ₹511.71 Lakhs). This has resulted in the aggregate Impairment loss to ₹7,086.72 Lakhs (P.Y. ₹6,783.89 Lakhs) on a total investment of ₹7,086.72 Lakhs (P.Y. ₹6,783.89 Lakhs). Impairment loss for the current year is charged to statement of profit and loss 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.

40 Expenditure incurred during the year and included in Capital work-in-progress / Property, Plant and Equipments as follows:

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
i) Power & fuel	213.10	330.00
ii) Repairs & maintenance	127.32	-
iii) Payroll expenses	254.96	390.50
iv) Freight	4.27	4.77
v) Insurance	0.19	12.83
vi) Travelling Expenses	3.92	11.68
vii) Rent ,Rates & Taxes	12.81	-
viii) Depreciation	1.20	3.81
ix) R&D Chemicals	33.71	7.02
x) Administrative expenses	137.79	370.49
xi) Legal & Professional	12.03	4.07
	801.30	**1,135.17**

41 CORPORATE SOCIAL RESPONSIBILITY

a) Gross amount required to be spent by the company during the year ₹226.91 Lakhs (P.Y. ₹272.99 Lakhs)

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	156.51	-	156.51
(P.Y.)	(92.49)	-	(92.49)

42 HEDGE ACCOUNTING

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company's 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, 2019		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	10,402.28	10,640.22	-	237.94	April 2019 to August 2019	Other Financial Assets

Hedging Instrument and Hedge Item :

(₹ in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March, 2018		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	12,510.79	12,434.21	-	76.58	April 2018 to September 2018	Other Financial Liabilities

i) The following are the outstanding forward contracts:

Currency	Buy / Sell	In Foreign Currency (in lakhs)		₹ in lakhs	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
EURO	Sell	-	2.46	-	197.63
USD	Sell	145.70	188.70	10,640.22	12,236.58

ii) Foreign Currency exposure not hedged by forward contracts are given below :

Particulars	In Foreign Currency (in lakhs)		₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
A) Receivable				
Euro	33.19	54.15	2,573.00	4,374.67
USD	305.19	180.36	21,084.12	11,789.18
Others	106.30	56.22	1,922.94	1,343.67
B) Payable				
Euro	7.27	-	567.43	-
USD	43.78	-	3,040.94	-
Others	109.44	0.29	318.41	7.66

43 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 benefit as per schedule III of the Companies Act 2013 :

(₹ in Lakhs)

Particulars	Gratuity		Leave entitlements & Long term Bonus	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Current Liability	159.95	175.11	426.26	291.18
Non-Current Liability	-	-	1,459.90	1,075.90
Net Liability	**159.95**	**175.11**	**1,886.16**	**1,367.08**

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

Particulars	Gratuity	
	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.10%	7.30%
Salary growth rate	9.00%	9.00%
Expected rate of return on Plan assets	7.10%	7.30%
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, 2019	As at 31st March, 2018
Present value of funded obligations	1,981.73	1,732.36
Fair value of plan assets	1,821.78	1,557.26
Net Liability (Asset)	**159.95**	**175.11**

Amount charge to statement of Profit and loss:

(₹ in Lakhs)

Particulars	Gratuity	
	2018-2019	2017-2018
Current service cost	198.43	319.59
Net interest cost	5.54	49.87
Employee Benefit Expense	203.97	369.46
Total Charge to statement of P&L	**203.97**	**369.46**

Amount charged to Other Comprehensive Income:

(₹ in Lakhs)

Particulars	Gratuity	
	2018-2019	2017-2018
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	22.07	130.37
Due to experience adjustments	19.61	51.39
Return on plan assets excluding amounts included in interest income	(0.26)	(1.68)
Amounts recognized in Other Comprehensive Income	**41.41**	**180.08**

Reconciliation of defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity	
	2018-2019	2017-2018
Opening Defined Benefit Obligation	**1,732.36**	**2,080.08**
Transfer out obligation	-	(894.70)
Current service cost	198.43	319.59
Interest cost	119.14	120.26
Actuarial loss/(gain) due to change in financial assumptions	22.07	130.38
Actuarial loss/ (gain) due to experience adjustments	19.61	51.39
Benefits paid	(109.88)	(74.64)
Closing Defined Benefit Obligation	**1,981.73**	**1,732.36**

Reconciliation of plan assets:

(₹ in Lakhs)

Particulars	Gratuity	
	2018-2019	2017-2018
Opening value of plan assets	**1,557.26**	**1,197.56**
Interest Income	113.60	70.40
Return on plan assets excluding above	0.26	1.68
Contributions by employer	260.54	362.26
Benefits paid	(109.88)	(74.64)
Closing value of plan assets	**1,821.78**	**1,557.26**

Sensitivity analysis:

Assumptions	Change in assumptions		Increase/(decrease) in defined benefit obligation	
	Increase/decrease	Percentage	2018-2019	2017-2018
Discount rate	Increase by	0.5%	-2.73%	-2.53%
	Decrease by	0.5%	2.92%	2.70%
Salary growth rate	Increase by	0.5%	2.85%	2.65%
	Decrease by	0.5%	-2.69%	-2.50%
Withdrawal rate	Increase by	10%	-0.75%	-0.66%
	Decrease by	10%	0.81%	0.71%

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	2018-2019	2017-2018
Expected contribution for the next year (₹ Lakhs)	159.94	500.00
Weighted average duration for defined benefit obligation (years)	5.36	5.23

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.

44 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)

(ii) Enterprises under significant influence of key management personnel as defined in (iii) (disclosed to the extent of transactions)

Uni - Distributors Pvt. Ltd.
Elemage Wellness LLP
Adiwasi Unnati Mandal
Uni 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)
(w.e.f 01.04.2018)

(iv) Independent Directors:

Dr. (Mrs.) B. Kinnera Murthy
Mr. Anand Y. Mahajan
Mr. Prafull Anubhai
Mr. Prafull D Sheth
Mr. Ramdas M Gandhi (upto 09.05.2018)

(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. Rakesh Parikh -
(Chief Finance & Compliance Officer)(upto 31.08.2018)
Rakesh Parikh - HUF (upto 31.08.2018)
Mrs. Neema Thakore - (Head - Legal & Company Secretary)
Mr. Sandip R.Ghume (Dy. Chief Financial Officer)
(w.e.f 31.10.2018)

b) Disclosure of related party transactions :

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
i) Sale of finished goods/solvents (Net of returns)		
Subsidiaries		
Niche Generics Limited.	1,589.71	1,511.64
Unichem SA Pty. LTD.	563.16	268.93
Unichem Farmaceutica Do Brasil Ltda	1,041.01	852.94
Unichem Pharmaceuticals (USA) Inc.	49,778.30	29,105.22
Unichem Laboratories Ltd (Ireland)	223.35	234.61
	53,195.53	**31,973.34**
ii) Expenses Re-imbursements(excluding indirect tax)		
Elemage Wellness LLP	126.75	-
	126.75	**-**
iii) Investments made (including guarantee commission & ESOP)		
Subsidiary		
Unichem Farmaceutica Do Brasil Ltda	302.83	511.70
Unichem Pharmaceuticals (USA) Inc.	253.89	146.90
Unichem Laboratories Ltd (Ireland)	375.94	15.26
Niche Generics Limited.	3,215.51	27.47
	4,148.17	**701.33**
iv) Commission Expense :		
Unichem Farmaceutica Do Brasil Ltda	63.35	-
	63.35	**-**
v) Guarantees to banks - given /(reduced)		
On behalf of Subsidiary Company		
Unichem Pharmaceuticals (USA) Inc.	-	13,106.00
Unichem Laboratories Ltd (Ireland)	(480.81)	-
	(480.81)	**13,106.00**
vi) Rent & Maintenance Paid (excluding indirect taxes)		
Relative of Key Management Personnel		
Mrs Anita Mody	16.62	15.48
Enterprise under significant influence of Key Management Personnel		
Uni - Distributors Pvt. Ltd.	13.55	11.75
Uni Trust	9.00	9.00
	39.17	**36.23**

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
vii) Managerial remuneration (including defined contribution plan)		
Key Management Personnel		
Dr. Prakash A. Mody	412.44	143.31
Mr. Dilip J Kunkolienkar	111.91	-
	524.35	**143.31**
viii) Salary (including defined contribution plan)		
Relative of Key Management Personnel		
Ms Supriya Mody	62.75	47.65
ix) Dividend Paid		
Key Management Personnel & Relatives		
Dr. Prakash A. Mody	1,620.97	1,268.62
Mrs Anita Mody	66.17	39.70
Ms Supriya Mody	47.50	28.50
Ms. Suparna Mody	47.50	28.50
Mr. Dilip J. Kunkolienkar	1.71	-
	1,783.85	**1,365.32**
Independent Directors		
Mr. Anand Y. Mahajan	0.75	0.75
Mr. Prafull Anubhai	0.04	0.75
Mr. Prafull D Sheth	0.38	0.23
Mr. Ramdas M Gandhi	-	0.83
	1.17	**2.56**
x) Expenses Re-imbursement (Establishment and administrative expenses)		
Subsidiaries		
Unichem SA Pty. LTD.	25.00	29.73
Unichem Farmaceutica Do Brasil Ltda	9.68	10.00
Unichem Pharmaceuticals (USA) Inc.	298.69	949.58
	333.37	**989.31**
xi) Buy back of equity shares		
Key Management Personnel		
Dr. Prakash A. Mody	-	42,431.91
xii) Sitting Fees		
Independent Directors		
Dr. (Mrs.) B. Kinnera Murthy	10.50	9.71
Mr. Anand Y. Mahajan	10.50	5.51
Mr. Prafull Anubhai	16.50	19.82
Mr. Prafull D Sheth	9.00	14.92
Mr. Ramdas M Gandhi	-	15.82
	46.50	**65.78**
xiii) Corporate Social Responsibility		
Enterprise under significant influence of Key Management Personnel		
Adiwasi Unnati Mandal	10.00	6.00

c) Disclosure of related party balances :

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
i) Trade Receivables		
Subsidiaries		
Niche Generics Limited.	1,989.75	3,702.08
Unichem SA Pty. LTD.	353.27	195.47
Unichem Farmaceutica Do Brasil Ltda	1,353.98	821.25
Unichem Pharmaceuticals (USA) Inc.	17,941.27	10,221.26
Unichem Laboratories Ltd (Ireland)	383.00	171.40
	22,021.27	**15,111.46**
ii) Trade Payables		
Subsidiaries		
Niche Generics Limited.	1.98	2.18
Unichem SA Pty. LTD.	13.47	0.96
Unichem Farmaceutica Do Brasil Ltda	21.00	10.75
Unichem Pharmaceuticals (USA) Inc.	29.59	231.69
	66.04	**245.58**
iii) Commission Payable		
Unichem Farmaceutica Do Brasil Ltda	63.35	-
	63.35	**-**
iv) Investments in subsidiaries		
In equity shares		
Niche Generics Limited.	5,845.10	2,584.24
Unichem SA Pty. LTD.	12.14	12.14
Unichem Farmaceutica Do Brasil Ltda *	7,086.72	6,783.89
Unichem Pharmaceuticals (USA) Inc.	3,308.53	3,098.82
Unichem Laboratories Ltd (Ireland)	1,264.08	886.95
*fully provided as impairment in value of investment		
	17,516.57	**13,366.04**
In preference shares		
Niche Generics Limited.	1,164.79	1,164.79
v) Guarantees given		
to Banks on behalf of Subsidiary Company		
Unichem Pharmaceuticals (USA) Inc.	20,838.00	19,659.00
Unichem Laboratories Ltd (Ireland)	1,076.54	1,624.80
Niche Generics Limited.	2,340.30	-
	24,254.84	**21,283.80**
corporate guarantee given on behalf of Subsidiary Company		
Niche Generics Limited.	-	2,437.20
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	13.79	-
viii) Sitting Fees Payable		
Dr. (Mrs.) B. Kinnera Murthy	0.50	-
Mr. Anand Y. Mahajan	0.50	-
Mr. Prafull Anubhai	0.50	-
Mr. Prafull D Sheth	0.50	-
	2.00	**-**

d) Contribution to post employment benefit plan :

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Post-employment benefit plans		
Unichem Laboratories Ltd- Employees Gratuity Fund	260.54	362.26
Unichem Laboratories Ltd- Employees Superannuation Fund	78.07	83.22

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	2018-2019	2017-2018
i) Salary (including defined contribution plan)		
Key Management Personnel		
Mr. Rakesh Parikh	44.46	239.60
Mrs. Neema Thakore	68.42	134.57
Mr. Sandip Ghume	13.35	-
ii) Dividend Paid		
Key Management Personnel		
Mr. Rakesh Parikh	2.08	1.31
Relative of Key Management Personnel		
Rakesh Parikh - HUF	0.16	0.12
iii) Share based payments (ESOP)		
Key Management Personnel		
Mr. Rakesh Parikh	51.18	14.95
Mr. Dilip J. Kunkolienkar	33.02	-
iv) Buyback of equity shares		
Key Management Personnel		
Mr. Rakesh Parikh	-	56.70
Relative of Key Management Personnel		
Rakesh Parikh - HUF	-	3.90

1 Number of option pending to be exercised by Mr. Rakesh Parikh as on 31st March,2019 are Nil (P.Y. 27,500), and by Mr. Dilip Kunkolienkar as on 31st March, 2019 are 268,676 (P.Y. Nil).

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:

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Research & Development Expenditure (Bio-equivalence studies)	239.65	8.15
Rent Income (net of indirect tax)	40.60	39.93
Deposit received	7.50	7.50
Trade payable	-	10.49

45 OPERATING LEASE (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.The Company also holds leasehold land against which there is annual payment over the lease period which is in the range of 24-75 years. It is treated as non-cancellable contracts.
The expenses charged to the statement of profit & loss in current year are ₹25.36 Lakhs (P.Y. ₹14.39 Lakhs)

(₹ in Lakhs)

The details of outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows	2018-2019	2017-2018
Lease payment not later than one year	41.69	17.34
Lease Payment later than one year and not later than five years	82.20	39.99
Lease Payment later than five year	280.15	123.80

b) The Company has taken flats / office premises and vehicles on cancellable operating leases. There are no restrictions imposed by lease arrangements. There are no sub-leases. The deposit amount are refundable on completion / cancellation of lease term.The aggregate lease rentals payable, are charged as lease rent (Refer Note No.32) in the statement of profit and loss.

46 DISCONTINUED OPERATION

a) During the year ended 31st March, 2018, based on the approval obtained from the Shareholders, the Company had transferred its business of manufacture, sale, marketing and distribution of domestic formulations in India and Nepal ("Identified Business") by way of slump sale on going concern basis to Torrent Pharmaceuticals Limited ("Torrent"). Identified Business includes portfolio of several brands in India and Nepal, manufacturing facility at Sikkim and employees performing work in relation to said business.

b) Financial performance and cashflow information

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Revenue (including excise duty upto June 2017)	814.19	56,530.80
Expenses	567.23	41,172.68
Profit from Discontinued operations	**246.96**	**15,358.12**
Gain from sale of identified business(net)	-	3,21,731.05
Profit/(loss) from Discontinued operations (before tax)	**246.96**	**3,37,089.17**
Income tax expenses	71.24	69,288.37
Profit from Discontinued operations (after tax)	**175.72**	**2,67,800.80**
Net cash inflow(outflow) from Operating activities	546.64	(1,286.98)
Net cash inflow(outflow) from investing activities	-	2,66,489.87
Net cash inflow(outflow) from financing activities	-	-
Net increase in cash generated from discontinued operations	**546.64**	**2,65,202.89**

Revenue for the year ended 31st March, 2019 mainly includes reversal of provision for doubtful debts of ₹ 521.83 lakhs and other writebacks.

c) Details of sale of the identified business in the previous year

(₹ in Lakhs)

Particulars	2017-2018
Consideration received (net of incidental expenses)	3,35,428.62
Carrying amount of net assets transferred/adjusted	13,697.57
Gain on sale before income tax	**3,21,731.05**
Income tax expenses on gain	
Current tax*	74,068.00
Deferred tax	(278.40)
MAT credit availed*	(4,501.23)
Gain on sale after income tax	**2,52,442.68**

* at company level

Carrying amount of assets and liabilities as on 14th Dec 2017(date of transfer) were as follows :

(₹ in Lakhs)

Particulars	2017-2018
Property, Plant and Equipment	2,533.38
Financial assets	5,255.10
Other assets	13,553.17
Total Assets	**21,341.65**
Financial liabilities	7,644.08
Net Assets	**13,697.57**

47 EARNINGS PER EQUITY SHARE (EPS)

Particulars			2018-2019	2017-2018
Weighted average number of equity shares for basic EPS	(A)	Nos	7,03,57,715	9,06,97,764
Add : Potential equity shares (ESOP)		Nos	17,855	57,782
Weighted average number of equity shares for diluted EPS	(B)	Nos	7,03,75,570	9,07,55,546
Face value of equity share (fully paid)		₹	2.00	2.00
CONTINUING OPERATIONS				
Profit/(loss) attributable to equity shareholders for basic & Diluted EPS	(C)	₹ Lakhs	704.20	(12,140.95)
Earnings per equity share				
Basic	(C/A)	₹	1.00	(13.39)
Diluted	(C/B)	₹	1.00	(13.39)
DISCONTINUED OPERATIONS				
Profit/(loss) attributable to equity shareholders for basic & Diluted EPS	(D)	₹ Lakhs	175.72	2,67,800.80
Earnings per equity share				
Basic	(D/A)	₹	0.25	295.27
Diluted	(D/B)	₹	0.25	295.08
FOR DISCONTINUED & CONTINUING OPERATIONS				
Profit attributable to equity shareholders for basic & Diluted EPS	(E)	₹ Lakhs	879.92	2,55,659.85
Earnings per equity share				
Basic	(E/A)	₹	1.25	281.88
Diluted	(E/B)	₹	1.25	281.70

48 SHARE BASED PAYMENT PLANS (ESOP)

(i) During the year ended 31st March ,2019 the company has share based payment arrangements which are described below:

Type of arrangement	ESOP 2008			ESOP 2018	
	Independent Directors stock option scheme	Senior Management stock option scheme	Senior Management stock option scheme	Senior Management stock option scheme - I	Senior Management stock option scheme- II
Date of Grant	26.03.2009	17.06.2009	08.03.2014	06.08.2018	19.11.2018
Number granted	50,000	297,500	225,000	15,12,224	1,75,840
Contractual life	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting condition	As decided by Board/ Compensation Committee based on various factors				

(ii) Summary of stock option are as follows

Particulars	ESOP 2008	
	2018-2019	2017-2018
Option outstanding at the beginning of the year (Nos.)	68,750	1,84,225
Exercised during the year (Nos.)	(46,250)	(60,475)
Lapsed during the year (Nos.)	-	(55,000)
Option outstanding at the end of the year (Nos.)	22,500	68,750
Vested and exercisable at the end of the year (Nos.)	22,500	31,250
Weighted Average Exercise Price (₹)	46	46
Weighted Average Fair Value of Option (₹) *	149	149

* Fair value calculated based on Black & Scholes option pricing model

Particulars	ESOP 2018	
	2018-2019	2017-2018
Option outstanding at the beginning of the year (Nos.)	-	-
Granted during the year (Nos)	16,88,064	
Exercised during the year (Nos.)	-	-
Lapsed during the year (Nos.)	-	-
Option outstanding at the end of the year (Nos.)	16,88,064	-
Vested and exercisable at the end of the year (Nos.)	-	-
Weighted Average Exercise Price (₹)	250	-
Weighted Average Fair Value of Option (₹) *	80	-

* Fair value calculated based on Black & Scholes option pricing model

(iii) Share price at the dates of options exercised during the year ended 31st March 2019 - 28th July 2018 ₹228.06, 30th Oct. 2018 ₹215.73.

(iv) Share options outstanding at the end of year have the following expiry dates and exercise prices

Grant Date	Expiry Date	Exercise price (₹)	No. of ESOPS	
			2018-2019	2017-2018
8th March 2014	7th March 2023	46	-	31,250
8th March 2014	7th March 2024	46	22,500	37,500
6th August 2018	30th June 2023	250	7,56,112	-
6th August 2018	30th June 2024	250	7,56,112	-
19th November 2018	30th June 2023	250	87,920	-
19th November 2018	30th June 2024	250	87,920	-
			17,10,564	**68,750**

(v) 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	2018-2019	2017-2018
Employee option plan	349.65	16.88
Total	**349.65**	**16.88**

49 Payments to statutory auditors and cost auditors :

(₹ in Lakhs)

(i) Statutory Auditors (Excluding indirect tax)	2018-2019	2017-2018
Included in Establishment & Administrative expenses (continued business) :		
Audit Fees	35.00	28.00
Tax Audit	8.00	7.50
Certification Charges	0.81	8.08
Taxation	30.80	29.00
Reimbursement of Expenses	1.25	2.03
	75.86	**74.61**
Included in other equity:		
Transaction costs related to buyback	-	7.50
	-	**7.50**
Total	**75.86**	**82.11**

(ii) Cost Auditors (Excluding indirect Tax)	2018-2019	2017-2018
Included in Establishment & Administrative expenses (continued business) :		
Audit Fees	7.50	7.00
Certification charges	0.61	0.52
Reimbursement of Expenses	0.01	-
Total	**8.12**	**7.52**

50 Establishment and administrative expenses includes donation given to political party of ₹Nil (P.Y. ₹ 29.50 lakhs)

51 RESEARCH & DEVELOPMENT EXPENDITURE

(At units approved by Department of Scientific & Industrial Research)

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Materials	3,208.58	2,518.34
Salaries, wages and Ex-gratia	2,458.58	2,302.13
Contribution to Provident fund and other Funds	97.80	86.38
Employee's welfare expenses	24.87	22.57
Rent	14.69	15.40
Insurance	13.72	10.85
Rates and Taxes	36.69	9.67
Repairs:		
Buildings	2.75	-
Plant and machinery	76.25	56.40
Others	239.80	204.72
Power and fuel	387.81	289.82
Travelling and conveyance	85.42	36.38
Interest	1.20	0.32
Legal & Professional Expenses	1,230.75	241.72
Others (Bioequivalence Studies, etc.)	3,756.97	2,702.16
Total	**11,635.88**	**8,496.86**

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

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Amount outstanding as at year end :		
Loans Given	-	-
Guarantees given *	24,254.84	23,721.00
Investments made **	1,29,140.28	1,69,094.19

* Guarantees are given to subsidiaries for business purposes

** Refer note no. 5,10 and 12 for details of investments made

53 FINANCIAL INSTRUMENTS

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

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets* :				
Amortised cost				
Cash and cash equivalents	1,057.09	1,057.09	1,600.55	1,600.55
Other Bank Balances	236.85	236.85	1,329.64	1,329.64
Trade receivables	33,134.65	33,134.65	23,174.19	23,174.19
Loans	12.10	12.10	12.28	12.28
Other Financial Assets	3,101.73	3,101.73	3,865.58	3,865.58
Fair value through profit or loss				
Investments in mutual funds and bonds (including Cash and cash equivalents)	97,883.86	97,883.86	1,53,985.47	1,53,985.47
Investments in equity instruments	7.50	7.50	8.58	8.58
Derivative Instruments	237.94	237.94	-	-
Fair value through OCI				
Investments in equity instruments	12,000.62	12,000.62	-	-
Total	**1,47,672.34**	**1,47,672.34**	**1,83,976.29**	**1,83,976.29**
Financial liabilities :				
Amortised cost				
Borrowings	-	-	32.68	32.68
Trade payables	19,269.37	19,269.37	21,150.94	21,150.94
Other financial liabilities	3,344.79	3,344.79	4,164.87	4,164.87
Fair value through profit or loss				
Derivative Instruments	-	-	76.58	76.58
Total	**22,614.16**	**22,614.16**	**25,425.07**	**25,425.07**

* 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,2019

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments(other than in subsidiaries)	5.50	-	12,002.62	12,008.12
Investments in mutual funds & Bonds	97,883.86	-	-	97,883.86
Financial Liabilities				
Derivative Instruments(Gain)	-	237.94	-	237.94

Fair value hierarchy as at 31st March,2018

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments(other than in subsidiaries)	6.58	-	2.00	8.58
Investments in mutual funds	1,53,985.47	-	-	1,53,985.47
Financial Liabilities				
Derivative Instruments(loss)	-	76.58	-	76.58

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)During the year the Company has made investments in equity shares of unlisted companies aggregating to ₹12,000.62 lakhs. The Company has elected to categorize these investment as fair value through other comprehensive income. Based on the overall evaluation carried out by the Company of the investee company and considering no significant variation in their financial performance, cost of these investment is considered as an appropriate estimate of fair value as at Balance Sheet date. During the year there are no gains / losses from such investments.

Derivative instruments : For forward contracts and cross currency interest rate swaps, future cash flows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates and forward interest rates, discounted at a rate that reflects the credit risk of respective counterparties.

54 FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

Market risk:

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying equity prices.

Foreign currency exchange rate risk:

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries and foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. Since a major part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.The major foreign currency exposures for the Company are denominated in USD & EURO. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges all trade receivables upto a maximum of 6 months forward based on historical trends. Hedge effectiveness is assessed on a regular basis.The following table sets forth information relating to foreign currency exposure from USD, EUR and other currencies (which are not material) form non-derivative financial instruments:

(₹ in Lakhs)

As at 31st March 2019	USD	Euro	Others*	Total
Assets				
Trade Receivables & other assets	31,724.34	2,573.00	1,922.94	36,220.28
Total	**31,724.34**	**2,573.00**	**1,922.94**	**36,220.28**
Liabilities				
Trade Payable & others	3,040.94	567.43	318.41	3,926.78
Total	**3,040.94**	**567.43**	**318.41**	**3,926.78**
Net Assets/ Liabilities	**28,683.40**	**2,005.57**	**1,604.53**	**32,293.50**

*Others mainly include currency namely GBP (pounds) / Japanese Yen

(₹ in Lakhs)

As at 31st March 2018	USD	Euro	Others**	Total
Assets				
Trade Receivables	16,920.62	3,504.14	1,262.20	21,686.96
Total	**16,920.62**	**3,504.14**	**1,262.20**	**21,686.96**
Liabilities				
Trade Payable	7,154.88	1,069.60	81.47	8,305.96
Total	**7,154.88**	**1,069.60**	**81.47**	**8,305.96**
Net Assets/ Liabilities	**9,765.74**	**2,434.54**	**1,180.73**	**13,381.00**

**Others mainly include currency namely Canadian Dollars / South African Rands

Sensitivity analysis

(₹ in Lakhs)

Particulars	FOREIGN CURRENCY SENSITIVITY					
	As at 31st March 2019			As at 31st March 2018		
	USD	Euro	Others	USD	Euro	Others
1 % Appreciation in INR Impact on Profit & Loss	(286.83)	(20.06)	(16.05)	(97.66)	(24.35)	(11.81)
1 % Depreciation in INR Impact on Profit & Loss	286.83	20.06	16.05	97.66	24.35	11.81

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 a single third party customer which contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as of 31st March 2019. In previous year, no single third party customer contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries).

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 no. 11 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 31-03-2019	In 1 year	More than 1 year	Total
Trade Payable	19,269.37	-	19,269.37
Other financial liabilities	3,344.79	-	3,344.79
Total	**22,614.16**	**-**	**22,614.16**

(₹ in Lakhs)

As at 31-03-2018	In 1 year	More than 1 year	Total
Trade Payable	21,150.94	-	21,150.94
Borrowings*	-	32.68	32.68
Other financial liabilities	4,164.87	-	4,164.87
Total	**25,315.81**	**32.68**	**25,348.49**

*Excluding amortised cost adjustment.

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, 2019 and 31st March, 2018.

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
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

Neema Thakore
Head-Legal &
Company Secretary

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

Dilip Kunkolienkar
Director-
Technical
DIN 02666678

Place: Mumbai
Date: 24th May, 2019

Independent Auditors' Report to the Members of Unichem Laboratories Limited

To
The Members of
Unichem Laboratories Limited

Report on the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Unichem Laboratories Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising the Consolidated Balance Sheet as at 31st March 2019, 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 on that date, 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 and 10 below on separate financial statements and on the other financial information of the subsidiaries and the associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, and their consolidated loss (including other comprehensive income), consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 37 of the consolidated financial statements, which informs that the General Court of the European Union has on 12th December 2018 rejected the appeal and confirmed the fine of Euro 13.96 Million (equivalent to ₹10,890.20 lakhs) imposed by the European Commission jointly and severally on the Holding Company and its subsidiary (Niche Generics Limited, UK).The Holding Company and its subsidiary based on legal advice and merits has filed an appeal against the decision of General Court before the Court of Justice of the European Union and outcome of the appeal is awaited. Considering the above, in view of the management, no provision for the aforesaid fine is considered necessary and is disclosed as a contingent liability in note 36(ii) of the consolidated financial statements. This matter was reported in our auditor's report for the consolidated financial statement for the year ended 31st March 2018. Our opinion is not modified in respect of above matter.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

   5.1. Contingent liability as elaborated above in 'Emphasis of Matter Paragraph'

   As elaborated in 'Emphasis of Matter' paragraph given above, the Holding Company based on legal advice and merits has filed an appeal against the decision of General Court before the Court of Justice of the European Union and outcome of the appeal is awaited. This matter of contingent liability is considered as key audit matter for the current audit period and we have relied on the management assessment which is supported by legal advice and merits that the aforesaid fine is considered as contingent liability.

   Refer to note 36(ii) and note 37 of the consolidated financial statements.

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 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 are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act 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.

   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 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 five subsidiaries, whose financial statements reflect total assets of ₹47,119.32 lakhs and total net assets of ₹1,457.27 lakhs as at 31st March, 2019, total revenues (including other income) of ₹74,656.05 lakhs and net cash inflow amounting to ₹124.55 lakhs for the year ended on that date, 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 statement, 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 profit of ₹6.52 lakhs for the year ended 31st March 2019, 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 reports of such other auditor. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the standalone financial statements of the associate which are certified by the Management.

Report on Other Legal and Regulatory Requirements

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

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements;

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors; and with respect to associate, we have relied on the information and explanation provided to us by the management;

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

    e. On the basis of the written representations received from the directors of the Holding Company as on 31st March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act. The Subsidiary companies are incorporated outside India; hence, Section 164(2) of the Act is not applicable to the subsidiary companies. With respect to the associate, the information about disqualification of director u/s 164(2) is not available; hence, we cannot comment on the same;

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, considering that the wholly owned subsidiaries are incorporated outside India and an associate whose accounts are not 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;

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

       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

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

       i. The Consolidated financial statements disclose the impact of pending litigations on its financial position of the Group and the associate. Refer note 36(i), 36(ii), 36(v) and note 37 to the consolidated financial statements; except certain claims made by the ex-employees whose services were terminated in earlier years and are not acknowledged as debts. The financial impact of these claims cannot be estimated. However in the opinion of the management, these claims are not tenable;

       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.

For N. A. Shah Associates LLP
Chartered Accountants
Firm registration number: 116560W/W100149

Milan Mody
Partner
Membership number: 103286

Mumbai
24th May, 2019

Annexure I to Independent Auditor's Report for the year ended 31st March 2019
[Referred to in point 11 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 ("the Act")
Opinion
In conjunction with our audit of the consolidated financial statements of Unichem Laboratories Limited ("the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its associate company as of and for the year ended 31st March 2019, 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 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

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

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

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

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

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

For N. A. Shah Associates LLP
Chartered Accountants
Firm registration number: 116560W/W100149

Milan Mody
Partner
Membership number: 103286

Mumbai
24th May, 2019

Consolidated Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	80,449.82	57,244.40
(b) Capital work-in-progress	3	9,238.89	23,815.05
(c) Investment property	4	365.91	372.22
(d) Goodwill	3	154.51	154.51
(e) Other intangible assets	3	24.55	46.10
(f) Investments accounted for using the equity method	5	546.21	539.69
(g) Financial assets			
(i) Investments	5	12,008.12	8.58
(ii) Loans	6	6.39	6.94
(iii) Other financial assets	7	974.19	940.58
(h) Deferred tax assets (net)	8	1,668.45	360.53
(i) Other non-current assets	9	5,595.50	2,231.22
		111,032.54	**85,719.82**
Current assets			
(a) Inventories	10	33,866.46	27,286.44
(b) Financial assets			
(i) Investments	11	80,075.13	89,555.14
(ii) Trade receivables	12	43,604.89	27,691.56
(iii) Cash and bank balances	13		
Cash & cash equivalents		19,704.67	66,607.28
Other bank balances		394.26	1,538.74
(iv) Loans	14	5.71	5.34
(v) Other financial assets	15	2,365.48	2,925.00
(c) Other current assets	16	23,824.82	18,037.25
		203,841.42	**233,646.75**
Non Current Assets held for sale	**3.7**	**87.19**	**-**
TOTAL ASSETS		**314,961.15**	**319,366.57**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	1,407.67	1,406.74
(b) Other equity	18	260,583.02	266,601.64
		261,990.69	**268,008.38**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	-	32.68
(b) Provisions	20	1,459.90	1,075.90
(c) Deferred tax liabilities (net)	21	749.57	3,429.01
(d) Other long term liabilities	22	469.21	469.21
		2,678.68	**5,006.80**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	19,966.55	15,028.72
(ii) Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		258.04	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		21,882.49	22,623.49
(iii) Other financial liabilities	25	3,371.17	4,201.88
(b) Other current liabilities	26	3,474.26	2,100.78
(c) Provisions	27	1,125.06	1,935.27
(d) Current tax liabilities (net)		214.21	461.25
		50,291.78	**46,351.39**
TOTAL EQUITY AND LIABILITIES		**314,961.15**	**319,366.57**
Significant accounting policies & notes	1-53		

Notes to Accounts form an integral part of financial statements

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
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

Neema Thakore
Head - Legal & Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN 02666678

Place: Mumbai
Date: 24th May, 2019

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars		Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
CONTINUING OPERATIONS				
I	Revenue from operations (inclusive of excise duty upto June 2017)	28	118,004.68	81,498.48
II	Other income	29	9,841.29	6,087.55
III	**Total Income (I+II)**		**127,845.97**	**87,586.03**
IV	**EXPENSES**			
	Cost of materials consumed	30	47,691.79	38,756.78
	Purchases of Stock-in-Trade		20.86	16.11
	Changes in inventories of finished goods and work-in-progress	30	(3,247.73)	(2,948.21)
	Excise duty on sale of goods		-	39.34
	Employee benefits expense	31	23,932.04	20,064.22
	Finance costs	32	752.23	800.76
	Impairment loss on financial assets	33	560.59	-
	Depreciation and amortization expense	3	6,736.68	5,050.84
	Other expenses	34	57,396.56	38,759.42
	Total expenses (IV)		**133,843.02**	**100,539.26**
V	**Profit/(loss) before share of profit/(loss) of an associate (III - IV)**		**(5,997.05)**	**(12,953.23)**
VI	Share of profit/(loss) in associate (net of tax)		6.52	(22.32)
VII	**Profit/(loss) before tax (V+VI)**		**(5,990.53)**	**(12,975.55)**
VIII	Tax expense:			
	(1) Current tax	21	713.83	115.26
	(2) Deferred tax	8,21	(4,024.15)	1,490.95
	(3) Short / (Excess) provision for tax (earlier years)	21	(124.45)	(1,271.99)
IX	**Profit (Loss) for the year from continuing operations (VII-VIII)**		**(2,555.76)**	**(13,309.77)**
DISCONTINUED OPERATIONS				
X	Profit/(loss) from discontinued operations			
	A. Profit / (loss) from discontinued operations	48	246.96	15,358.12
	B. Gain on sale of identified business (net)		-	321,731.05
	Profit/(loss) for the year from discontinued operations (A+B)		246.96	337,089.17
XI	Tax expenses on discontinued operations	21	71.24	69,288.37
XII	**Profit/(loss) from discontinued operations (after tax)(X-XI)**		**175.72**	**267,800.80**
XIII	**Profit/(loss) for the year (IX+XII)**		**(2,380.04)**	**254,491.03**
XIV	Other Comprehensive Income	35		
	A (i) Items that will not be reclassified to profit or loss		(41.41)	(180.08)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		12.92	-
	B (i) Items that will be reclassified to profit or loss		215.46	(278.55)
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Other Comprehensive Income		**186.97**	**(458.63)**
XV	**Total Comprehensive Income for the year (XIII+XIV)**		**(2,193.07)**	**254,032.40**
XVI	**Earnings per equity share(face value of Rs 2 each)**			
	Earnings per equity share (for continuing operations):	44		
	(1) Basic		(3.63)	(14.67)
	(2) Diluted		(3.63)	(14.67)
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		0.25	295.27
	(2) Diluted		0.25	295.08
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		(3.38)	280.60
	(2) Diluted		(3.38)	280.41
Significant accounting policies & notes		**1-53**		

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
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

Neema Thakore
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN 02666678

Place: Mumbai
Date: 24th May, 2019

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2019

A. Equity Share Capital

Particulars	2018-2019		2017-2018	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Shares outstanding as at the beginning of the year	**7,03,37,000**	**1,406.74**	**9,08,76,525**	**1,817.53**
Add: Shares allotted under ESOP during the year	46,250	0.93	60,475	1.21
Less: Buyback of shares during the year	-	-	(2,06,00,000)	(412.00)
Shares outstanding as at the end of the year	**7,03,83,250**	**1,407.67**	**7,03,37,000**	**1,406.74**

B. Other Equity

(₹ in Lakhs)

Particulars	Share application money pending allotment	Employee stock options outstanding account	Reserves and Surplus					Other Comprehensive Income		Total
			General Reserve	Securities Premium	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Remeasure-ments of defined benefit plans	Exchange differences on transla-ting the financial statements of a foreign operation	
Balance at 31st March, 2017	**11.75**	**132.83**	**18,595.36**	**8,116.49**	**62.47**	**834.00**	**76,461.99**	**(111.96)**	**441.49**	**1,04,544.42**
Profit for the year	-	-	-	-	-	-	2,54,491.03	-	-	2,54,491.03
Other comprehensive Income for the year(net of tax)	-	-	-	-	-	-	-	(180.08)	(278.55)	(458.63)
Payment of dividends(Incl. Tax on dividend)	-	-	-	-	-	-	(3,282.85)	-	-	(3,282.85)
Transfer to retained earnings	-	-	-	-	(62.47)	-	62.47	-	-	-
Recognition of share-based payments (ESOP)	-	(73.53)	-	-	-	-	-	-	-	(73.53)
Issue of shares under ESOP	(11.75)	-	-	117.02	-	-	-	-	-	105.27
Buyback of shares	-	-	(18,595.36)	(8,233.51)	-	-	(61,339.13)	-	-	(88,168.00)
Transaction costs related to buyback(net of tax)	-	-	-	-	-		(556.07)	-	-	(556.07)
Transfer to capital redemption reserve upon buyback	-	-	-	-	-	412.00	(412.00)	-	-	-
Balance at 31st March, 2018	**-**	**59.30**	**-**	**-**	**-**	**1,246.00**	**2,65,425.44**	**(292.04)**	**162.94**	**2,66,601.64**
Profit/(loss) for the year	-	-	-	-	-	-	(2,380.04)	-	-	(2,380.04)
Other comprehensive Income for the year(net of tax)	-	-	-	-	-	-	-	(28.49)	215.46	186.97
Payment of dividends(Incl. Tax on dividend)	-	-	-	-	-	-	(4,239.75)	-	-	(4,239.75)
Recognition of share-based payments (ESOP) (net)	-	324.71	-	-	-	-	-	-	-	324.71
Issue of shares under ESOP	-	-	-	89.49	-	-	-	-	-	89.49
Balance at 31st March, 2019	**-**	**384.01**	**-**	**89.49**	**-**	**1,246.00**	**2,58,805.65**	**(320.53)**	**378.40**	**2,60,583.02**

Significant accounting policies & notes 1- 53

Notes to Accounts form an integral part of consolidated financial statements

Share application money pending allotment: Share application money pending allotment represents money received from shareholders/employees towards stock option shares, the allotment of which is not made indicate the share application money pending allotment.

Employee stock options outstanding account The fair value of the equity-settled share based payment transactions with employees is recognised in statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

General reserve: The Holding Company had transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provisions of the Indian Companies Act 1956. Mandatory transfer to general reserve is not required under the Indian Companies Act 2013.

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 reserve: In the previous year, capital reserve is reclassified to retained earnings considering there are no pending obligations against grants / subsidy received.

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) 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
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

Neema Thakore
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN 02666678

Place: Mumbai
Date: 24th May, 2019

Consolidated Cash Flows Statement

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
A. Cash Flow from Operating Activities				
Net Profit/(loss) before tax from continuing operations		(5,990.53)		(12,975.55)
Net Profit/(loss) before tax from discontinued operations		246.96		3,37,089.17
Net Profit before tax		**(5,743.57)**		**3,24,113.62**
Adjustments:				
Gain from sale of identified business	-		(3,21,731.05)	
Depreciation / amortisation (including investment property)	6,742.99		5,176.80	
Loss / (profit) on sale / discard of property, plant and equipment (net)	1,027.80		503.32	
Unrealised exchange difference (net)	404.34		(1,120.33)	
Expenses for purchase of investments	194.75		-	
Rent income	(190.52)		(102.26)	
Share of (profit) / loss from associate	(6.52)		22.32	
Finance cost (including interest impact on financial assets / liabilities)	752.23		800.76	
Provision for doubtful debts, loans ,advances & deposits (net)	(685.72)		266.26	
Expenses on employee stock option plan	393.84		16.88	
Fair value gain on investments (net)	(2,711.05)		(1,308.64)	
Interest income	(4,497.85)		(1,352.27)	
Excess provision for expenses written back	(205.75)		(98.32)	
Impairment loss on financial assets [inter corporate deposits & interest thereon]	560.59		-	
Dividend income	(1,099.12)		(1,839.89)	
		680.01		(3,20,766.42)
Operating Profit/(loss) Before Working Capital Changes		(5,063.56)		3,347.20
Working capital Adjustments(net of items transferred under slump sale in previous year) :				
Trade receivables & other assets	(19,788.94)		(9,874.02)	
Inventories	(6,580.02)		(9,586.93)	
Trade payable & other liabilities	(124.79)		4,793.79	
		(26,493.75)		(14,667.16)
Cash Generated from Operations		(31,557.31)		(11,319.96)
Direct taxes refund received (payment made)		(1,219.65)		85.81
Net Cash Flow from/(used in) Operating Activities A		**(32,776.96)**		**(11,234.15)**
B. Cash Flow from Investing Activities				
Purchase of property, plant & equipment including Capital WIP		(19,430.72)		(15,956.81)
Proceeds from sale of property, plant and equipment		276.33		117.52
Consideration from sale of identified business (net)		-		3,35,428.62
Tax paid on sale of identified business		-		(68,938.75)
Investments made -others (FVTOCI) [including incidental acquisition expenses]		(12,195.37)		-
Sale / (purchase) of current investment (net)		(2,524.49)		(87,444.37)
Inter - Corporate deposits (placed)/ Matured		(500.00)		300.00
Rent received (including amount received in advance)		40.31		252.47
(Increase) / decrease in escrow bank accounts		1,144.48		(1,039.02)
Interest received		3,489.58		273.84
Dividend received		1,099.12		1,839.89
Net cash flow from / (used in) Investing Activities B		**(28,600.76)**		**1,64,833.39**
C. Cash Flow from Financing Activities				
Increase / (decrease) in working capital borrowings (net)		4,937.83		5,266.52
Proceeds from employee stock option plan		21.28		16.07
Payments for buyback of equity shares		-		(88,580.00)
Transaction costs related to buyback		-		(722.24)
Proceeds from issue of Commercial paper		-		1,449.41
Repayment of Commercial paper		-		(1,449.41)
Receipt / (payment) of long term loan from BIRAC		(46.94)		(6.07)
Finance cost paid (Incl. interest impact on financial assets / liabilities)		(919.11)		(790.59)
Dividend paid (inclusive of dividend tax)		(4,234.58)		(3,296.57)
Net cash flow from/(used) in Financing Activities C		**(241.52)**		**(88,112.88)**
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)		**(61,619.24)**		**65,486.36**
Cash and Cash Equivalents at the beginning of the year	**66,607.28**			**1,120.91**
Add: Current Investments reclassified as cash and cash equivalents during the year	14,716.63	81,323.91		
Cash and Cash Equivalents at year end		**19,704.67**		**66,607.28**
Significant accounting policies & notes 1- 53				

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
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

Neema Thakore
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN 02666678

Place: Mumbai
Date: 24th May, 2019

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2019

1. Group information

The consolidated financial statements comprise the financial statements of the Unichem Laboratories Limited (the Holding Company) and the following wholly owned subsidiaries and associates (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
Associate		
Synchron Research Services Pvt Ltd	India	Technical Testing & 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 do not exercise any significant influence over the operations of investee.

The consolidated financial statements of the Group for the year ended 31st March, 2019 were approved and adopted by the Board of Directors in their meeting dated 24th May, 2019.

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 amount:

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

ii. Defined benefit plans – plan assets;

iii. Equity settled share based payments;

iv. Assets held for sale

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

2.3. Basis of Consolidation

i) The Holding Company consolidates all entities which it controls. Control is established when the Holding Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

ii) The Holding Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company.

iii) Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Holding Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

iv) Where the cost of the investment is higher than the share of equity in the subsidiary at the time of acquisition, the resulting difference is treated as goodwill. Where the cost of the equity is lower than the share of equity in the subsidiary, the difference is treated as capital reserve.

v) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

vi) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full. Tax impact is given for the intra-group eliminations wherever applicable.

vii) In case of subsidiaries, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve in 'other equity'.

viii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

ix) Investment in associates where the Holding Company holds more than 20% of equity and/or having significant influence, are accounted for using equity method as per Ind AS 28 - Investments in Associates and joint ventures.

x) The Holding Company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Holding Company and its associates to the extent of its share, to the extent such change is attributable to the associates' Statement of Profit and Loss.

xi) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2.4. Current and non-current classification

All assets and liabilities are presented in the Balance Sheet based on current or non-current classification as per Group's normal operating cycle and other criteria set out in 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 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 (INR), which is the Holding Company's functional and presentation currency. All amounts are rounded 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 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 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 2.12 and 3)

iii) Impairment of goodwill (refer note no. 2.13 and 3)

iv) Impairment of Property, plant and equipment and Capital work-in-progress (refer note no 2.15 and 3)

v) Estimation of provisions and contingent liabilities (refer note 2.20, 27 and 36)

vi) Estimation of defined benefit plan and other long term benefits(refer note no 2.21, 20, 27 and 47)

vii) Fair value measurement and impairment of financial instruments (refer note no 2.31, 33 and 51)

2.7. Revenue recognition

Revenue is recognized 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 inclusive of excise duty (upto 30th June 2017) and 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 recognized 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 recognized when the Group 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 arrangements is recognized 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.

Also refer note 2.33.

2.8. Taxes

Income Tax expenses for the year comprises of current tax, deferred tax charge or credit, minimum alternate tax 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 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 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.

Minimum Alternate Tax Credit

The Group recognizes tax credits in the nature of Minimum Alternative Tax (MAT) credit as an asset only to the extent that there is convincing evidence that the Group will pay normal tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss.

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 realized 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 recognized 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.

Dividend Distribution Tax

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognized in statement of changes in equity as part of associated dividend payment.

2.9. Property, plant and equipment (Tangible Assets) and depreciation

Subsequent to transition to Ind AS, 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 statement of profit and loss.

Gains or losses arising from derecognition of tangible property, plant and equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on all asses (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 Indian Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Estimated useful lives of the PPEs are as follows:

Leasehold land	Over lease period [30 to 90 years]
Factory buildings on leasehold land	Lower of 30 years or balance lease period
Buildings on freehold land	30 to 60 years
Roads	3 to 10 years
Plant and equipment's [other than below]	10 to 15 years
Plant and equipment's [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 method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under ''Other non-current assets''. Cost of assets under construction / acquisition / not put to use at the Balance sheet date are disclosed under ''Capital work-in-progress''

2.10. Investment Property

Property that is held for long-term rentals yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment properties are measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any. Depreciation on building held as Investment Property is provided over its useful life (of 60 years) using the straight line method.

The Holding Company had applied one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2015 as the deemed cost under Ind AS. During the year, there are amendments to Ind AS 40' Investment Property' and it does not impact Group's consolidated financial statements.

2.11. Computer software's / licenses

Consolidated software's / licenses cost is fully charged off to Statement of Profit and Loss in the year of expenditure. These software's / licenses are for administrative purposes.

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 amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

2.13. Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over 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 co-ordinated 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 assets 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 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.

2.17. 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 transactions. 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 or loss or other comprehensive income respectively).

Also refer note 2.33.

2.18. Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

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 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.

2.20. 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 recognized in the statement of profit and loss. Past service cost are immediately recognized 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 recognized in other comprehensive income and are not reclassified to statement of profit or 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.

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 Group 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.

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 recognizes 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 recognized 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 2019

The following standards issued / modified by MCA become effective w.e.f. 1st April 2019.

Particulars	Effective date
New Ind AS issued	
Ind AS 116 – Lease	1st April 2019
Modification to existing Ind Accounting Standard	
Ind AS 12 – Income Taxes	1st April 2019
Ind AS 19 – Employee Benefits	1st April 2019
Ind AS 23 – Borrowing costs	1st April 2019
Ind AS 28 – Investments in Associates and Joint Ventures	1st April 2019
Ind AS 109 – Financial Instruments	1st April 2019

The Group does not expect these amendments and implementation of New Ind AS 116 to have any significant impact on its consolidated financial statements.

2.33. Amendments in Ind AS and its financial statements

Amendment to Ind AS 115 Revenue from contracts with customers: Effective April 1, 2018, the Holding Company has adopted Ind AS 115, "Revenue from Contracts with Customers". Adoption of this standard does not have any impact on any sale recognition prior to effective date of this standard.

Amendment to Ind AS 21 The effects of changes in foreign exchanges rates: Effective April 1, 2018 the Holding Company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

3. PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Particulars	Property, Plant & equipment								Intangible Assets			Capital work-in -progress
	Freehold land	Leasehold land	Buildings **	Plant & equipments	Furniture & fixture	Vehicles	Office equipment	Total	Goodwill	Licenses	Total Intangible Assets	
Gross carrying value, at cost												
As at 31st Mar, 2017	378.01	2,312.89	21,321.45	30,646.95	564.48	277.53	219.22	55,720.53	154.51	261.72	416.23	24,997.55
Additions	-	65.04	3,760.02	12,177.31	39.71	82.53	113.06	16,237.67	-	214.85	214.85	13,850.00
Disposal, slump sale transfer & Exchange gain/loss	-	674.88	1,196.03	1,446.01	48.87	48.71	47.14	3,461.64	-	153.51	153.51	15,032.50
As at 31st Mar, 2018	**378.01**	**1,703.05**	**23,885.44**	**41,378.25**	**555.32**	**311.35**	**285.14**	**68,496.56**	**154.51**	**323.06**	**477.57**	**23,815.05**
Additions	-	1,338.46	7,599.08	20,809.75	211.85	159.73	294.35	30,413.22	-	98.88	98.88	12,514.00
Disposal/held for sale & Exchange gain/loss	-	-	262.22	1,458.33	21.21	139.78	4.91	1,886.45	-	3.81	3.81	27,090.16
As at 31st Mar, 2019	**378.01**	**3,041.51**	**31,222.30**	**60,729.67**	**745.96**	**331.30**	**574.58**	**97,023.33**	**154.51**	**418.13**	**572.64**	**9,238.89**
Depreciation / amortisation												
As at 31st Mar, 2017	-	111.81	1,431.47	5,396.97	183.80	78.20	115.57	7,317.82	-	97.39	97.39	-
Charge for the year-continued	-	61.13	929.41	3,651.44	99.87	80.84	92.50	4,915.19	-	135.65	135.65	-
Charge for the year- discontinued	-	0.41	32.81	82.04	1.53	2.15	0.71	119.65	-	-	-	-
Charged to CWIP	-	3.11	-	-	-	-	-	3.11	-	-	-	-
Disposal, slump sale transfer & Exchange gain/loss	-	5.94	248.24	751.27	41.98	35.86	20.32	1,103.61	-	(43.92)	(43.92)	-
As at 31st Mar, 2018	**-**	**170.52**	**2,145.45**	**8,379.18**	**243.22**	**125.33**	**188.46**	**11,252.16**	**-**	**276.96**	**276.96**	**-**
Charge for the year-continued	-	55.84	1,237.99	4,979.53	104.51	74.17	147.86	6,599.90	-	136.78	136.78	-
Charged to CWIP	-	1.04	-	-	-	-	-	1.04	-	-	-	-
Disposal/held for sale & Exchange gain/loss	-	-	44.96	1,120.06	3.27	110.65	0.65	1,279.59	-	20.16	20.16	-
As at 31st Mar, 2019	**-**	**227.40**	**3,338.48**	**12,238.65**	**344.46**	**88.85**	**335.67**	**16,573.51**	**-**	**393.58**	**393.58**	**-**
Net book value												
As at 31st Mar, 2019	**378.01**	**2,814.11**	**27,883.82**	**48,491.02**	**401.50**	**242.45**	**238.91**	**80,449.82**	**154.51**	**24.55**	**179.06**	**9,238.89**
As at 31st Mar, 2018	378.01	1,532.53	21,739.99	32,999.07	312.10	186.02	96.68	57,244.40	154.51	46.10	200.61	23,815.05

** Buildings include one Flat (P.Y three Flats and a Garage) amounting to ₹97.16 lakhs (P.Y. ₹147.19 lakhs) where the co-operative society is yet to be formed.

Notes :

1. Building includes cost of shares in cooperative societies ₹0.56 lakhs (P.Y. ₹0.56 lakhs)
2. Capital work-in-progress includes ₹2,697.87 lakhs (P.Y. ₹1,610.99 lakhs) on account of cost of construction
3. The amount of capital commitment disclosed in note 38(a)
4. Certain property plant and equipment were hypothecated /mortgaged as security for borrowing as disclosed under note 39(a).
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 ₹1,949.88 Lakhs (P.Y. ₹445.78 Lakhs) being expenditure on Research and Development as under:

(₹ in Lakhs)

Assets Description	2018-2019	2017-2018
Buildings	129.66	-
Plant & Machinery	1,779.63	437.57
Furniture & Fixtures	6.68	6.95
Office Equipment	18.19	1.26
Capital Work in Progress	15.72	-
Total	**1,949.88**	**445.78**

7. Non Current Assets held for sale as on 31st March 2019 represents plant and equipment which are held for disposal and valued at the lower of their carrying amount and fair value less costs to sell. These assets are expected to be disposed off in the next 12 months. Expected loss on above assets is recognised and grouped under Other expenses (loss on sale /discard of Property, plant and equipment-note 34)

4 INVESTMENT PROPERTIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Gross Carrying amount		
Opening gross Carrying amount	398.81	398.81
Additions	-	-
Closing gross carrying amount	**398.81**	**398.81**
Accumulated depreciation		
Opening accumulated depreciation	26.59	20.28
Depreciation charge(netted off from rent income)	6.31	6.31
Closing accumulated depreciation	**32.90**	**26.59**
Net carrying Amount	**365.91**	**372.22**

I) Amounts recognised in profit or loss for investment property

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Gross Carrying amount		
Rental Income	40.60	39.93
Depreciation	6.31	6.31
Net income from investment property	**34.29**	**33.62**

ii) Operating lease agreement is cancellable. The fair value of the property is not readily available however based on the annual rent income earned by the Holding Company, the fair value would be higher than the carrying value of the assets.

5. INVESTMENTS (NON-CURRENT)

5.1 Investments accounted for using the equity method

(₹ in Lakhs)

Particulars	No of Shares		Face value	As at 31st March, 2019	As at 31st March, 2018
	As at 31st March, 2019	As at 31st March, 2018			
(I) At Cost :					
UNQUOTED					
Equity Instruments of Associates (Fully Paid)					
Synchron Research Services Private Limited	2,08,333	2,08,333	₹10	569.31	569.31
Add: Share in Profit / (Loss) after tax				(23.10)	(29.62)
Total of Investments measured at cost				**546.21**	**539.69**

5.2 Investments - Non current

(₹ in Lakhs)

Particulars	No of Shares		Face value	As at 31st March, 2019	As at 31st March, 2018
	As at 31st March, 2019	As at 31st March, 2018			
(i) At fair value through profit and loss (FVTPL)					
UNQUOTED					
Equity Instruments (Fully Paid)					
Mediklin Healthcare Limited	2,02,500	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	5.27	6.25
Jindal Poly Investment and Finance Company Ltd	500	500	₹10	0.17	0.29
Aurobindo Pharma Ltd	8	8	₹1	0.06	0.04
Kothari Industrial Corporation Ltd	20	20	₹5	-	-
Sub Total				**5.50**	**6.58**
Total of Investments measured at FVTPL				**7.50**	**8.58**
(II) At fair value through Other comprehensive Income (FVTOCI)					
UNQUOTED					
Equity Instruments (fully paid)					
Optimus Drugs Private Limited	17,04,034	-	₹10	7,208.06	-
Optrix Laboratories Private Limited	21,98,423	-	₹10	4,792.56	-
Total of Investments measured at FVTOCI				**12,000.62**	**-**
Total				**12,008.12**	**8.58**
Aggregate book value of unquoted investments				12,548.83	541.69
Aggregate amount of impairment in value of investments				-	-
Aggregate book value of quoted investments				5.50	6.58
Aggregate market value of quoted investments				5.50	6.58

6 LOANS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good.		
Loans to Employees	6.39	6.94
Total	**6.39**	**6.94**

7 OTHER FINANCIAL ASSETS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Inter Corporate Deposits	500.00	500.00
(Net of provision for Impairment loss of ₹500 Lakhs, P.Y. ₹Nil Lakhs) [refer note no. 33]		
Deposits		
Considered Good	474.19	440.58
Considered Doubtful	56.04	42.47
Less : Allowance for Doubtful deposits	56.04	42.47
	474.19	**440.58**
Total	**974.19**	**940.58**

8 DEFERRED TAX ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets pertaining to subsidiaries(net)	1,668.45	360.53
Total	**1,668.45**	**360.53**

8.1 The deferred tax asset comprises of:

Particulars	As at 31st March, 2019	Charge/(credit) for the year	As at 31st March, 2018
Deferred Tax Assets			
Unrealised profits(net) on account of Intra-group eliminations	1,373.39	(1,373.39)	-
Brought forward losses	-	154.78	154.78
Capitalized development stage costs	160.31	86.46	246.77
Exchange difference for the year	-	21.54	-
Depreciation/Amortization	(30.40)	(10.62)	(41.02)
Others	165.15	(165.15)	-
Total	**1,668.45**	**(1,286.38)**	**360.53**

Particulars	As at 31st March, 2018	Charge/(credit) for the year	As at 31st March, 2017
Deferred Tax Assets			
Brought forward losses	154.78	131.06	285.84
Capitalized development stage costs	246.77	107.23	354.00
Exchange difference for the year	-	2.28	-
Depreciation/Amortization	(41.02)	(7.52)	(48.54)
Total	**360.53**	**233.05**	**591.30**

9 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital advances	3,242.83	251.15
(Net of provision for Doubtful advances ₹11.86 Lakhs, P.Y. ₹11.86 Lakhs)		
Payments to European Commission(refer note-37)	939.43	773.89
Balance with government authorities	65.62	241.79
Advance income tax (net of provision)	1,347.62	964.39
Total	**5,595.50**	**2,231.22**

10 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw Materials	15,392.90	12,375.65
[Include ₹1,400.45 Lakhs in transit, (P.Y ₹174.42 Lakhs)]		
Packing Materials	2,213.67	1,933.16
Work-in- Progress	7,076.45	5,273.23
Finished Goods	8,854.79	7,410.28
[Include ₹291.29 Lakhs in transit, (P.Y ₹101.93 Lakhs)]		
Stores and Spares	328.65	294.12
Total	**33,866.46**	**27,286.44**

Note :

1) During the year ended 31st March 2019, ₹1,743.07 Lakhs (P.Y ₹399.90 lakhs) was recognised as an expenses for inventories carried at net realisable value

2) Refer note 2.19 for accounting policy for inventory valuation.

11 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	No of Units		Amount	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
At fair value through profit and loss (FVTPL)				
QUOTED				
INVESTMENT IN MUTUAL FUNDS				
Aditya Birla Sun Life corporate bond fund	-	13,29,03,092.48	-	17,221.06
Edelweiss Arbitrage Fund- Monthly dividend direct plan	-	10,95,227.08	-	102.70
Kotak Equity Arbitrage Fund- Direct Plan	-	9,31,604.03	-	164.60
L&T Resurgent India Corporate Bond Fund Growth	-	3,91,15,366.86	-	4,983.11
Reliance Arbitrage Adv. Fund - Dir.Monthly Dividend	3,91,15,366.86	2,15,492.11	5,268.20	17.55
Reliance Corporate Bond Fund - Growth plan	-	10,87,09,831.72	-	15,081.28
ICICI Prudential Liquid fund - Direct Plan - Growth	21,87,957.21	-	6,047.87	-
SBI Liquid Fund Direct Growth	3,27,056.82	-	9,578.09	-
HDFC Liquid fund- Direct Plan- Growth	3,07,838.00	-	11,323.16	-
Reliance Money Manager Fund - Direct Growth Plan	-	1,06,480.71	-	2,549.76
INVESTMENT IN PERPETUAL BOND				
HDFC Bank Limited Sr-1 8.85 BD	1,080	1,080	10,680.41	11,453.76
Axis Bank Limited Sr-26 8.75 NCD	1,700	1,700	16,589.48	16,875.54
State Bank of India Sr-III 8.39 BD	2,100	2,100	20,587.92	21,105.78
Total			**80,075.13**	**89,555.14**
Aggregate book value of quoted investments			80,075.13	89,555.14
Aggregate market value of quoted investments			80,075.13	89,555.14

Refer note 39(b) for investments pledged with Citibank N.A.

12 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Considered good - Secured	-	1,101.57
Unsecured		
Considered good	43,604.89	26,589.99
Considered Doubtful	456.25	1,167.12
Less : Allowance for Doubtful debts	(456.25)	(1,167.12)
Total	**43,604.89**	**27,691.56**

1) Trade Receivables are secured against customer advances.

2) The movement in allowance for doubtful receivables is as follows :

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Opening balance	1,167.12	605.94
Add : Allowance for doubtful receivables made during the year	-	561.18
Less : Allowance for doubtful receivables reversed/utilised during the year	(710.87)	-
Closing balance	**456.25**	**1,167.12**

13 CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	No of Units		Amount	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
(a) Cash & cash equivalents				
(I) Balances with banks				
In Current Accounts			1,887.50	2,167.39
(ii) Cash on hand			8.44	9.56
(iii) Investments in Mutual Fund (At FVTPL)				
Quoted				
Baroda Pioneer Liquid Fund Plan A Growth	-	10,070.86	-	200.34
DSP BlackRock FMP series 222 - 3 M Direct Growth	-	20,00,000.00	-	201.54
Edelweiss Arbitrage Fund- Monthly dividend direct plan	3,23,96,357.76	6,82,51,813.69	4,080.02	8,533.66
HDFC Medium Term Opportunities Fund- Direct Plan	-	3,13,18,304.71	-	6,078.16
HDFC Liquid fund- Direct Plan- Growth Option	17,934.13	-	659.67	-
HDFC Overnight Fund - Direct Plan - Growth	86,183.71	-	2,432.43	-
ICICI Prudential Flexible Income - Direct Plan	-	17,23,793.35	-	5,772.87
IDFC Corporate bond Fund Direct Plan	-	11,05,97,823.35	-	13,238.89
Kotak Bond (Short Term)- Direct Plan	-	3,17,26,942.82	-	10,685.13
Kotak Equity Arbitrage Fund- Direct Plan	3,36,32,285.95	5,12,88,593.76	7,916.67	12,082.57
Kotak Treasury Advantage Fund Direct Plan	-	1,80,71,940.78	-	5,101.82
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	2,47,35,904.52	2,33,48,139.40	2,719.94	2,535.35
			19,704.67	**66,607.28**
(b) Other bank balances (Restricted bank balances)				
In Unpaid Dividend Account			236.85	231.68
In Escrow Accounts (buyback related)			-	1,097.86
In Fixed Deposits having Original maturity more than 3 months			157.41	209.20
			394.26	**1,538.74**
Total			**20,098.93**	**68,146.02**
Aggregate book value of quoted investments			17,808.73	64,430.33
Aggregate market value of quoted investments			17,808.73	64,430.33

14 LOAN-CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
Loans to Employees	5.71	5.34
Total	**5.71**	**5.34**

15 OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Insurance claims receivables	-	2.72
Accrued Interest on bonds and fixed deposits (Net of provision for Impairment loss, ₹60.59 Lakhs, P.Y. ₹ Nil Lakhs)	2,123.86	1,115.59
Others *	241.62	1,806.69
Total	**2,365.48**	**2,925.00**

* including amounts recoverable for payments made in respect of discontinued operations in previous year

16 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured , Considered Good		
Prepaid Expenses	1,735.69	1,632.59
Balances with Revenue Authorities (Including refund receivables)	17,192.87	13,444.96
Advance against materials & expenses	2,219.75	1,100.44
Export incentive receivable	2,017.02	1,524.50
Other receivables /advances	659.49	334.76
Sub Total	**23,824.82**	**18,037.25**
Doubtful		
Other advances	159.27	147.41
Less: Provision for Doubtful Advances	159.27	147.41
Sub Total	**-**	**-**
Total	**23,824.82**	**18,037.25**

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

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Opening balance (refer note 7,9,15 and 16)	201.74	221.32
Add : Allowance for doubtful advances made during the year	586.02	-
Less : Allowance for doubtful advances reversed during the year	-	19.58
Less : Advances written off during the year	-	-
Closing balance	**787.76**	**201.74**

17 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
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, 2019	As at 31st March, 2018
ISSUED, SUBSCRIBED AND FULLY PAID UP		
7,03,83,250 Equity Shares of ₹ 2/- each fully paid up (P.Y 7,03,37,000 Equity Shares of ₹ 2/- each fully paid up)	1,407.67	1,406.74
Total	**1,407.67**	**1,406.74**

Reconcilation of Number of Shares (Equity)	2018-2019		2017-2018	
	No of Shares	Amount (₹ in Lakhs)	No of Shares	Amount (₹ in Lakhs)
Shares outstanding as at the beginning of the year	7,03,37,000	1,406.74	9,08,76,525	1,817.53
Add:Shares allotted under ESOP during the Year	46,250	0.93	60,475	1.21
Less: Buyback of shares during the Year/period	-	-	2,06,00,000	412.00
Shares outstanding as at the end of the year	**7,03,83,250**	**1,407.67**	**7,03,37,000**	**1,406.74**

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.

Shareholders holding more than 5 per cent of total Equity Shares

Name of the Shareholders	As at 31st March, 2019		As at 31st March, 2018	
	No of Shares	% held	No of Shares	% held
Dr. Prakash Amrut Mody	3,24,19,392	46.06	3,24,19,392	46.09

Note :
* Consequent upon buyback during FY 2017-18, there is no dilution in shareholding of promoter group.

As per the records of the Holding Company, including its register of shareholders / members & other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

18 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
SHARE APPLICATION MONEY PENDING ALLOTMENT		
Balance at beginning of year	-	11.75
Less: Allotment of shares under ESOP	-	(11.75)
Balance at end of year	**-**	**-**
CAPITAL RESERVE		
Balance at beginning of year	-	62.47
Add : Additions /(deductions) during the year	-	(62.47)
Balance at end of year	**-**	**-**
CAPITAL REDEMPTION RESERVE		
Balance at beginning of year	1,246.00	834.00
Add : Additions /(deductions) during the year on account of buy back	-	412.00
Balance at end of year	**1,246.00**	**1,246.00**
SECURITIES PREMIUM		
Balance at beginning of year	-	8,116.49
Add : Additions /(deductions) during the year	89.49	117.02
Less: Buy back of shares (refer note 18.1)	-	(8,233.51)
Balance at end of year	**89.49**	**-**
SHARE OPTIONS OUTSTANDING ACCOUNT		
Balance at beginning of year	102.57	263.03
Add : Additions during the year	1,933.96	-
Less : Deduction during the year	(69.13)	(160.46)
	1,967.40	102.57
Less: Deferred Employees' stock compensation	(1,583.39)	(43.27)
Balance at end of year	**384.01**	**59.30**
GENERAL RESERVE		
Balance at beginning of year	-	18,595.36
Less: Buy back of shares (refer note 18.1)	-	(18,595.36)
Balance at end of year	**-**	**-**
OTHER COMPREHENSIVE INCOME		
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance at beginning of year	162.94	441.49
Exchange difference arising on translating the foreign operations	215.46	(278.55)
Balance at end of year	**378.40**	**162.94**
REMEASUREMENTS OF DEFINED BENEFIT PLANS		
Balance at beginning of year	(292.04)	(111.96)
Add/(Less): Movements during the year	(28.49)	(180.08)
Balance at end of year	**(320.53)**	**(292.04)**
RETAINED EARNINGS		
Balance at beginning of year	2,65,425.44	76,461.99
Add: Profit/(loss) for the year	(2,380.04)	2,54,491.03
Add: Other comprehensive income during the year		
Add: Transfer from Capital reserve	-	62.47
Less : Appropriations :		
Transfer to capital redemption reserve	-	412.00
Buyback of shares (refer note 18.1)	-	61,339.13
Transaction costs related to buyback (net of tax of ₹ Nil, P.Y. ₹ 166.77 lakhs)	-	556.07
Final Dividend paid (Incl. Tax on dividend)	4,239.75	3,282.85
Balance at end of year	**2,58,805.65**	**2,65,425.44**
Total Reserves & Surplus	**2,60,583.02**	**2,66,601.64**

18.1 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).

18.2 In respect of the year ended 31st March, 2019, the Board of Directors of the Holding Company at its meeting held on 24th May, 2019 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 (including tax on dividend) to be paid is ₹ 3,394.16 Lakhs.

19 BORROWINGS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
SECURED		
Term Loan (other than Banks) :		
Loan from BIRAC	-	32.68
Total	**-**	**32.68**

19.1 The Holding Company had taken term loan from BIRAC carrying interest at the rate of 2% per annum, repayment in 10 equal half yearly instalments commencing from 14th Oct, 2016 which has been fully settled during the year. (Refer note No. 39(a)).
Using prevailing market rates for an equivalent loan of 10%, the fair value of the loan at initial recognition is estimated at ₹ 37.66 Lakhs. The difference of ₹13.77 Lakhs between gross proceeds and the fair value of the loan is the benefit derived from the below market interest loan and is recognised as deferred revenue (Note - 25). Interest expenses of ₹ 3.33 lakhs (P.Y. ₹ 4.34 Lakhs) is recognised in statement of profit and loss. (refer note no 32).

20 PROVISIONS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits :		
Leave benefits	1,274.87	1,075.90
Long term bonus	185.03	-
Total	**1,459.90**	**1,075.90**

21 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liabilities (net) in respect of the Holding Company	749.57	3,429.01
	749.57	**3,429.01**

21.1 During the year ended 31st March, 2019 deferred tax assets is recognised on tax loss (which includes weighted deduction in respect of R&D expenditure and excludes exempt income), unabsorbed tax depreciation and other temporary differences which will be offset against deferred tax liability.

21.2 Income tax expense/ (benefit) recognized in consolidated statement of profit and loss (Holding Company and its Subsidiaries) :

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Current tax:		
Current tax on profits for the year	713.83	74,185.54
MAT credit availed for earlier years*	-	(4,501.23)
Adjustments for current tax of prior periods**	(124.45)	(1,271.99)
Total Current tax expense	589.38	68,412.32
Deferred Tax:		
Decrease (increase) in Deferred Tax Assets	(5,955.83)	1,016.45
(Decrease) Increase in Deferred Tax Liabilities	2,168.07	193.82
Total Deferred tax expense /(credit)	(3,787.76)	1,210.27
Aggregate income tax expense [continued and discontinued operations]	**(3,198.38)**	**69,622.59**

* MAT credit for earlier year was recognised to the extent of utilisation in previous year.

** Short / excess provision for income tax (net) of earlier years is on account of final tax liability as per returns filed and assessments completed.

21.3 Income tax expense recognized in other comprehensive income and other equity (Holding Company and its Subsidiaries) :

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Net Loss/(Gain) on Re-measurements of Defined Benefit Plans		
Current income tax	-	-
Deferred tax	(12.92)	-
Income Tax Expense/(Income) Charged to OCI	**(12.92)**	**-**
Current income tax recognised in reserves netted off against transaction costs of buyback	-	(166.77)
Income Tax Expense/(Income) credited to reserves	**-**	**(166.77)**

21.4 Reconciliation of tax expense and the accounting profit (Holding Company and its Subsidiaries) multiplied by India's domestic tax rate:

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Profit / (loss) from continuing operations before Income Tax	(5,990.53)	(12,975.55)
Profit from discontinued operations (including gain on sale of identified business in PY) before Income Tax	246.96	3,37,089.17
Total profit/(loss) before income taxes	**(5,743.57)**	**3,24,113.62**
At India's Statutory Income Tax Rate of 31.20% (31st March, 2018: 34.608%)	(1,791.99)	1,12,169.24
Adjustments to reconcile expected income tax expense to reported income tax expense		
Weighted deduction allowed in respect of research and development expenses	(1,977.15)	(3,246.43)
Effect of expenses not deductible in determining taxable profit	139.57	1,469.68
Effect of income exempt from taxation	(342.93)	(636.75)
Capital gain taxable at lower rate	-	(38,085.33)
Adjustments for current tax of prior periods	(124.45)	(1,271.99)
Others (net)	733.42	(800.55)
Revision in education cess	-	24.72
Adjusted income tax expenses	**(3,363.53)**	**69,622.59**
Effective Income Tax Rate	**58.56%**	**21.48%**

Deferred tax assets is not recognised on the amount of unused tax losses of three subsidiaries aggregating to ₹ 15,469.72 lakhs (P.Y. ₹ 9,088.92 lakhs) as at year end. There is no expiry date in respect of these unused tax losses. However there is cap on the maximum unused tax losses that can be set off in one financial year.

21.5 Reflected in the Balance Sheet as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liabilities		
Depreciation and amortisation	8,221.57	6,042.87
Others	73.21	123.08
	8,294.78	6,165.95
Deferred Tax Assets		
Allowance for doubtful trade receivables	142.35	385.67
Allowance for doubtful advances	49.69	59.24
Allowance for impairment in value of investments	1,474.04	1,411.05
Allowance for impairment in value of other financial assets	174.90	-
Provision for employee benefits	589.99	481.16
Business loss / unabsorbed depreciation	4,689.45	-
Others	424.79	399.82
	7,545.21	2,736.94
Deferred Tax Liabilities (net)	**749.57**	**3,429.01**

21.6 Movement of deferred tax liabilities / (assets) during the year 2018-2019

(₹ in Lakhs)

Particulars	Opening balance 1st April, 2018	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March, 2019
Deferred tax liabilities in relation to				
Depreciation and amortisation	6,042.87	2,178.70	-	8,221.57
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(385.67)	243.32	-	(142.35)
Allowance for doubtful advances	(59.24)	9.55	-	(49.69)
Allowance for impairment in value of investments	(1,411.05)	(62.99)	-	(1,474.04)
Allowance for impairment in value of other financial assets	-	(174.90)		(174.90)
Provision for employee benefits	(481.16)	(108.83)	-	(589.99)
Business loss / unabsorbed depreciation	-	(4,689.45)		(4,689.45)
Others	(276.74)	(74.84)	-	(351.58)
Deferred tax liabilities net	**3,429.01**	**(2,679.44)**	**-**	**749.57**

21.7 Movement of deferred tax liabilities / (assets) during the year 2017-2018

(₹ in Lakhs)

Particulars	Opening balance 1st April, 2017	(Credit) / charge recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance 31st March, 2018
Deferred tax liabilities in relation to				
Depreciation and amortisation	5,964.62	78.25	-	6,042.87
Deferred tax assets in relation to				
Allowance for doubtful trade receivables	(208.39)	(177.28)	-	(385.67)
Allowance for doubtful advances	(72.49)	13.25	-	(59.24)
Allowance for impairment in value of investments	(2,181.19)	770.14	-	(1,411.05)
Provision for employee benefits	(956.04)	474.88	-	(481.16)
Others	(97.00)	(179.74)	-	(276.74)
Deferred tax liabilities net	**2,449.51**	**979.50**	**-**	**3,429.01**

22 OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured		
Others(Customer Advances)	469.21	469.21
Total	**469.21**	**469.21**

23 BORROWINGS-CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured		
From Banks		
Cash credit facility, repayable on demand (refer note 39(b))	19,966.55	15,028.72
Total	**19,966.55**	**15,028.72**

24 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	258.04	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,882.49	22,623.49
Total	**22,140.53**	**22,623.49**

25 OTHER FINANCIAL LIABILITY-CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unclaimed Dividend	236.85	231.68
Current maturity of long term loan (BIRAC)	-	10.93
Deposits /Advances from Customers	19.64	1,101.57
Payable for employee benefits	1,412.44	1,403.77
Payable for Capital Goods	1,702.24	1,453.93
Total	**3,371.17**	**4,201.88**

26 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Other Payables		
Statutory Dues	2,837.26	1,404.38
Revenue received in advance (refer note 26.1)	155.78	461.58
Others	481.22	234.82
Total	**3,474.26**	**2,100.78**

26.1 It includes ₹ 155.78 lakhs (P.Y. ₹ 51.45 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.

27 PROVISIONS - CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits :		
Defined benefit plan	159.95	175.11
Leave benefits	426.26	291.18
Others Provisions		
Expiry and other claims (refer note 27.1)	538.85	1,468.98
Total	**1,125.06**	**1,935.27**

27.1 The Holding Company has made provision towards expected returns from market which are primarily in the nature of expired or near expiry products and other claims. 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	2018-2019	2017-2018
Opening Balance	1,468.98	729.39
Add : provisions made	462.92	1,468.98
Less: utilisations	1,393.05	729.39
Less: reversals	-	-
Closing balance	**538.85**	**1,468.98**

28 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sale of products (including excise duty upto June 2017) *	1,12,277.01	77,511.59
Other operating revenues		
Export benefits	4,072.77	3,260.17
Other operating revenues	1,654.90	726.72
	5,727.67	**3,986.89**
Total Revenue from Operations	**1,18,004.68**	**81,498.48**

* Revenue for periods upto 30th June, 2017 are inclusive of excise duty. As per Ind AS, the revenue is disclosed net of GST after 30th June, 2017. Accordingly, the revenue for the current year are not strictly comparable to the previous year.

28.1 Disclosure for disaggregation of revenue :

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Formulations	99,628.15	66,279.39
Bulk Drugs and chemicals	12,648.86	11,232.20
Total	**1,12,277.01**	**77,511.59**

29 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Income (Refer note 29.1)	4,497.85	1,352.27
Dividend Income on investments measured at Fair value through Profit and loss	1,099.12	1,839.89
Net gain on investments measured at Fair value through Profit and loss	2,711.05	1,308.64
Other non-operating Income (lease rent, etc.)(net)	261.57	158.53
Net gain / (Loss) on foreign currency translation and transactions	1,271.70	1,428.22
Total	**9,841.29**	**6,087.55**

29.1 Details of interest income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Income on financial assets measured at amortised cost/others	118.17	315.37
Interest Income on investments measured at Fair value through Profit and loss	4,379.68	1,036.90

30 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Raw Materials	39,646.29	30,429.11
Packing Materials	8,045.50	8,327.67
Total	**47,691.79**	**38,756.78**

CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN- PROGRESS

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Inventories at the Commencement		
Finished Goods	7,410.28	5,084.62
Work in progress	5,273.23	4,650.68
	12,683.51	**9,735.30**
Inventories at year end		
Finished Goods	8,854.79	7,410.28
Work in progress	7,076.45	5,273.23
	15,931.24	**12,683.51**
(Increase) / Decrease in Finished Goods	(1,444.51)	(2,325.66)
(Increase) / Decrease in Work in progress	(1,803.22)	(622.55)
Total change in inventory for continued operations	**(3,247.73)**	**(2,948.21)**

31 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries & wages	21,750.43	17,683.97
Contribution to provident and other funds	1,171.87	1,897.15
Expenses on employee stock option plan	393.84	16.88
Staff welfare expenses	615.90	466.22
Total	**23,932.04**	**20,064.22**

32 FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest expense	700.62	775.26
Unwinding of interest	3.33	4.34
Other borrowing costs	48.28	21.16
Total	**752.23**	**800.76**

33 IMPAIRMENT LOSS ON FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Impairment of other financial asset (refer note 33.1)	560.59	-
Total	**560.59**	**-**

33.1 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 50% of the principal amount and interest accrued thereon. Refer note 7 & 15.

34 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Consumption of Stores and Spares	2,260.88	1,337.92
Power and Fuel	7,638.71	4,923.24
Rent	471.03	405.74
Insurance	705.21	672.58
Repairs :		
Plant and Machinery	1,400.85	1,224.57
Buildings	512.10	319.54
Others	1,395.41	1,320.16
Rates and Taxes	285.77	460.13
Advertising and sales promotion	374.55	372.54
Travelling and Conveyance	868.97	587.95
Freight outward & Distribution expenses	12,374.14	7,151.72
Directors' Fees	46.50	65.79
Commission on sales	6,975.53	3,313.61
Legal & Professional Expenses	2,705.73	1,691.64
Loss on discard/sale of property, plant and equipment (net)	909.30	423.57
Contribution towards Corporate Social Responsibility	156.51	92.49
Establishment and Administrative Expenses	18,315.37	14,396.23
Total	**57,396.56**	**38,759.42**

35 OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A (i) Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(41.41)	(180.08)
A (ii) Income tax relating to items that will not be reclassified to profit or loss	12.92	-
B (i) Items that will be reclassified to profit or loss		
Exchange difference in translating the financial statements of foreign operations	215.46	(278.55)
B (ii) Income tax relating to items that will be reclassified to profit & loss	-	-
Total	**186.97**	**(458.63)**

36 CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
(i) Claims not acknowledged as debts*	1,797.19	1,534.26
(ii) Fine imposed by European Commission (refer note no. 37)	10,890.20	-
(iii) Other money for which the Group is contingently liable	2,096.34	494.27
(iv) Other bank guarantees	369.14	411.28
Total	**15,152.87**	**2,439.81**

* includes Rs 248.58 lakhs (P.Y. ₹120.58 Lakhs) sales tax refund amount kept on hold, amount paid under protest/deposit pending adjudication under Income tax Act ,1961 and Central Excise Act 1944.

Future cash outflow, if any ,will be based on the outcome of the appeals in case of disputed (a) statutory dues and (b) European Commission matter as elaborated in note 37 below . The Group does not expect any cash outflow in other matters mentioned above.

(v) Claims made by the ex-employees of the Holding Company whose services have been terminated in earlier years are not acknowledged as debts, the exact liability, whereof is not ascertainable. The matters are disputed under various forums. However in the opinion of the management, these claims are not tenable.

37 On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro13.96 million, jointly and severally on the Holding 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 Holding Company was only a part owner and financial investor in Niche) had agreed to settle a financially crippling patent litigation with Laboratories Servier. The Holding Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Holding 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 Holding Company and its subsidiary based on legal advice and merits, has filed an appeal against the decision of General Court before the Court of Justice of the EU and outcome of the appeal is awaited. Considering the above, in view of the management, no provision for the aforesaid fine is considered necessary. Based on above, fine imposed by the EU of Euro 13.96 million (equivalent to ₹10,890.20 lakhs) is disclosed under contingent liability in current year.

38 (a) Estimated amount of Contracts remaining to be executed (Net of Advances) on Capital account ₹ 10,180.71 lakhs (P.Y. ₹ 3,257.12 lakhs) and on other revenue accounts ₹17,941.32 lakhs (P.Y. ₹ 13,104.27 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 37), the Holding Company will consider all available options to assist the subsidiary.

39 (a) Loan from Biotechnology Industry Research Assistance Council, India (BIRAC) was fully repaid during the year and was secured against hypothecation of movable properties including any and all equipment , apparatus machineries , machineries spares , tools and other accessories , goods and / or other moveable property , present and future , situated at Bio -technology R&D Centre, Goa.

(b) Credit facilities from Citibank, N.A. availed by the Holding Company and its subsidiaries [Unichem Laboratories Limited(Ireland), Unichem Pharmaceuticals (USA) Inc. (USA), Niche Generics Limited(United Kingdom)] are secured by way of a pledge against investments in mutual funds to the extent of ₹ 32,217.32 lakhs. (P.Y. ₹ 33,084.66 lakhs). Out of ₹32,217.32 lakhs, the Holding Company is in process of completing pledge formalities in respect of mutual funds of ₹ 26,949.12 lakhs (P.Y. ₹ Nil).

40 Expenditure incurred during the year and included in Capital work-in-progress / Property, Plant and Equipments as follows:

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
i) Power & fuel	213.10	330.00
ii) Repairs & maintenance	127.32	-
iii) Payroll expenses	254.96	390.50
iv) Freight	4.27	4.77
v) Insurance	0.19	12.83
vi) Travelling Expenses	3.92	11.68
vii) Rent ,Rates & Taxes	12.81	-
viii) Depreciation	1.20	3.81
ix) R&D Chemicals	33.71	7.02
x) Administrative expenses	137.79	370.49
xi) Legal & Professional	12.03	4.07
Total	**801.30**	**1,135.17**

41 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's 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 2019		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	10,402.28	10,640.22	-	237.94	Apr 2019 to August 2019	Other Financial Assets

Hedging Instrument and Hedge Item : (₹ in Lakhs)

Type of Hedge and Risks	Nominal Value	Carrying amount as at 31st March 2018		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	12,510.79	12,434.21	-	76.58	Apr 2018 to Sep 2018	Other Financial Liabilities

i) The following are the outstanding forward contracts:

Currency	Buy / Sell	In Foreign Currency (in lakhs)		₹ in Lakhs	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
EURO	Sell	-	2.46	-	197.63
USD	Sell	145.70	188.70	10,640.22	12,236.58

ii) Foreign Currency exposure not hedged by forward contracts are given below :

Particulars	In Foreign Currency (in lakhs)		₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
A) Receivable				
Euro	14.12	54.15	1,094.75	4,374.67
USD	106.79	180.36	7,378.94	11,789.18
Others	26.69	56.22	1,382.11	1,343.67
B) Payable				
Euro	8.40	-	651.37	-
USD	44.27	-	3,058.78	-
Others	106.32	0.29	115.76	7.66

42 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 (continuing and discontinued operations)

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
India	**4,208.82**	**59,797.67**
Outside India	**1,08,068.19**	**74,256.30**
USA	68,496.54	39,805.23
Others	39,571.65	34,451.07
Total	**1,12,277.01**	**1,34,053.97**

Revenue from external customers is allocated based on the location of the customer.

(ii) Details of Revenue (continuing and discontinued operations)

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Formulations	99,628.15	1,22,821.77
Bulk Drugs and Chemicals	12,648.86	11,232.20
Total	**1,12,277.01**	**1,34,053.97**

(iii) Non-current assets:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
India	93,483.54	81,231.08
Outside India		
USA	287.20	252.44
Others	2,926.46	3,327.51
Total	**96,697.20**	**84,811.03**

(iv) Major customers

The Group has one external customer based in USA amounting to ₹11,637.78 Lakhs (12%) which accounts for more than 10% of the Group's total revenue for the year ended 31st March, 2019. There were no external customers which accounted for more than 10% of the Group's total revenue for the year ended 31st March,2018.

43 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.
Elemage Wellness LLP
Adiwasi Unnati Mandal
Uni 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) (w.e.f. 01.04.2018)

(iii) Independent Directors:
Dr. (Mrs.) B. Kinnera Murthy
Mr. Anand Y. Mahajan
Mr. Prafull Anubhai
Mr. Prafull D Sheth
Mr. Ramdas M Gandhi (upto 09.05.2018)

(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. Rakesh Parikh - (Chief Finance & Compliance Officer) (upto 31.08.2018)
Rakesh Parikh - HUF (upto 31.08.2018)
Mrs. Neema Thakore - (Head - Legal & Company Secretary)
Mr. Sandip R. Ghume (Dy. Chief Financial Officer) (w.e.f. 31.10.2018)

b) Disclosure of related party transactions :

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
I) Rent & Maintenance Paid (excluding indirect taxes)		
Relative of Key Management Personnel		
Mrs. Anita Mody	16.62	15.48
Enterprise under significant influence of Key Management Personnel		
Uni - Distributors Pvt. Ltd.	13.55	11.75
Uni Trust	9.00	9.00
	39.17	**36.23**
ii) Expenses Re-imbursements(excluding indirect tax)		
Elemage Wellness LLP	126.75	-
	126.75	**-**
iii) Managerial remuneration (including defined contribution plan)		
Key Management Personnel		
Dr. Prakash A. Mody	412.44	143.31
Mr. Dilip J. Kunkolienkar	111.91	-
	524.35	**143.31**
iv) Salary (including defined contribution plan)		
Relative of Key Management Personnel		
Ms. Supriya Mody	62.75	47.65
v) Dividend Paid		
Key Management Personnel & Relatives		
Dr. Prakash A. Mody	1,620.97	1,268.62
Mrs. Anita Mody	66.17	39.70
Ms. Supriya Mody	47.50	28.50
Ms. Suparna Mody	47.50	28.50
Mr. Dilip J. Kunkolienkar	1.71	-
	1,783.85	**1,365.32**
Independent Directors		
Mr. Anand Y. Mahajan	0.75	0.75
Mr. Prafull Anubhai	0.04	0.75
Mr. Prafull D. Sheth	0.38	0.23
Mr. Ramdas M. Gandhi	-	0.83
	1.17	**2.56**
vi) Buy back of equity shares		
Key Management Personnel		
Dr. Prakash A. Mody	-	42,431.91
vii) Sitting Fees		
Independent Directors		
Dr. (Mrs.) B. Kinnera Murthy	10.50	9.71
Mr. Anand Y. Mahajan	10.50	5.51
Mr. Prafull Anubhai	16.50	19.82
Mr. Prafull D. Sheth	9.00	14.92
Mr. Ramdas M. Gandhi	-	15.82
	46.50	**65.78**
viii) Corporate Social Responsibility		
Enterprise under significant influence of Key Management Personnel		
Adiwasi Unnati Mandal	10.00	6.00

c) Disclosure of related party balances :

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
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	13.79	-
iii) Sitting Fees Payable		
Dr. (Mrs.) B. Kinnera Murthy	0.50	-
Mr. Anand Y. Mahajan	0.50	-
Mr. Prafull Anubhai	0.50	-
Mr. Prafull D. Sheth	0.50	-
	2.00	**-**

d) Contribution to post employment benefit plan :

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Post-employment benefit plans		
Unichem Laboratories Ltd- Employees Gratuity Fund	260.54	362.26
Unichem Laboratories Ltd- Employees Superannuation Fund	78.07	83.22

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	2018-2019	2017-2018
i.) Salary (including defined contribution plan)		
Key Management Personnel		
Mr. Rakesh Parikh	44.46	239.60
Mrs. Neema Thakore	68.42	134.57
Mr. Sandip Ghume	13.35	-
ii.) Dividend Paid		
Key Management Personnel		
Mr. Rakesh Parikh	2.08	1.31
Relative of Key Management Personnel		
Rakesh Parikh - HUF	0.16	0.12
iii.) Share based payments (ESOP)		
Key Management Personnel		
Mr. Rakesh Parikh	51.18	14.95
Mr. Dilip J. Kunkolienkar	33.02	-
iv.) Buyback of equity shares		
Key Management Personnel		
Mr. Rakesh Parikh	-	56.70
Relative of Key Management Personnel		
Rakesh Parikh - HUF	-	3.90

1 Number of option pending to be exercised by Mr. Rakesh Parikh as on 31st March,2019 are Nil (P.Y. 27,500), and by Mr. Dilip Kunkolienkar as on 31st March, 2019 are 268,676 (P.Y. Nil).

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 it 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:

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Research & Development Expenditure (Bio-equivalence studies)	239.65	8.15
Rent Income (net of GST)	40.60	39.93
Deposit received	7.50	7.50
Trade payable	-	10.49

44 Earnings per equity share (EPS)

Particulars			2018-2019	2017-2018
Weighted average number of equity shares for basic EPS	(A)	Nos	7,03,57,715	9,06,97,764
Add : Potential equity shares on exercise of option of ESOS			17,855	57,782
Weighted average number of equity shares for diluted EPS	(B)	Nos	7,03,75,570	9,07,55,546
Face value of equity share		₹	2.00	2.00
CONTINUING OPERATIONS				
Profit/(loss) attributable to equity shareholders for basic & Diluted EPS	(C)	₹ Lakhs	(2,555.76)	(13,309.77)
Earnings per equity share				
Basic	(C/A)	₹	(3.63)	(14.67)
Diluted	(C/B)	₹	(3.63)	(14.67)
DISCONTINUED OPERATIONS				
Profit/(loss) attributable to equity shareholders for basic & Diluted EPS	(D)	₹ Lakhs	175.72	2,67,800.80
Earnings per equity share				
Basic	(D/A)	₹	0.25	295.27
Diluted	(D/B)	₹	0.25	295.08
FOR DISCONTINUED & CONTINUING OPERATIONS				
Profit attributable to equity shareholders for basic & Diluted EPS	(E)	₹ Lakhs	(2,380.04)	2,54,491.03
Earnings per equity share				
Basic	(E/A)	₹	(3.38)	280.60
Diluted	(E/B)	₹	(3.38)	280.41

45 The Subsidiaries (Niche Generics Ltd, Unichem Laboratories Ltd (Ireland) and Unichem Farmaceutica Do Brasil Ltda) have accumulated losses which have been considered for the purpose consolidated financial statements. The standalone financial statements of these subsidiaries have been prepared on a going concern basis considering the continuous financial support from the Holding Company to its subsidiaries. Management of the Holding Company is of the view that performance of the subsidiaries is improving and will turnaround.

46 OPERATING LEASE (LESSEE)

a) The Group has obtained certain equipment under non-cancellable lease agreements for the period of 36 months which are subject to renewal at mutual consent. The Holding Company also holds leasehold land against which there is annual payment over the lease period which is in the range of 24-75 years. It is treated as non-cancellable contracts.

The expenses charged to the statement of profit & loss in current year are ₹ 360.28 Lakhs (P.Y. ₹ 269.38 Lakhs)

(₹ in Lakhs)

The details of outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows	2018 - 2019	2017 - 2018
Lease payment not later than one year	447.68	287.42
Lease Payment later than one year and not later than five years	1,288.20	787.03
Lease Payment later than five year	688.05	505.96

b) The Holding Company has taken flats / office premises and vehicles on cancellable operating leases. There are no restrictions imposed by lease arrangements. There are no sub-leases. The deposit amount are refundable on completion / cancellation of lease term. The aggregate lease rentals payable, are charged as lease rent (Refer Note No.34) in the statement of profit and loss.

47 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.

<u>Bifurcation of liability including short term leave benefits as per Schedule III of the Indian Companies Act 2013 :</u>

(₹ in Lakhs)

Particulars	Gratuity		Leave entitlements & Long term Bonus	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Current Liability	159.95	175.11	426.26	291.18
Non-Current Liability	-	-	1,431.43	1,075.90
Net Liability	**159.95**	**175.11**	**1,857.69**	**1,367.08**

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

Particulars	Gratuity	
	As at 31st March, 2019	As at 31st March, 2018
	%	%
Discount rate	7.10%	7.30%
Salary growth rate	9.00%	9.00%
Expected rate of return on Plan assets	7.10%	7.30%
Withdrawal rate	15% at younger ages reducing to 2% at older ages	15% at younger 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, 2019	As at 31st March, 2018
Present value of funded obligations	1,981.73	1,732.36
Fair value of plan assets	1,821.78	1,557.26
Net Liability (Asset)	**159.95**	**175.11**

Amount charge to statement of Profit and loss:

(₹ in Lakhs)

Particulars	Gratuity	
	2018-2019	2017-2018
Current service cost	198.43	319.59
Net interest cost	5.54	49.87
Employee Benefit Expense	**203.97**	**369.46**
Total Charge to statement of P&L	**203.97**	**369.46**

Amount charged Other Comprehensive Income:

(₹ in Lakhs)

Particulars	Gratuity	
	2018-2019	2017-2018
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	22.07	130.37
Due to experience adjustments	19.61	51.39
Return on plan assets excluding amounts included in interest income	(0.26)	(1.68)
Amounts recognized in Other Comprehensive Income	**41.41**	**180.08**

Reconciliation of defined benefit obligation:

(₹ in Lakhs)

Particulars	Gratuity	
	2018-2019	2017-2018
Opening Defined Benefit Obligation	**1,732.36**	**2,080.08**
Transfer out obligation	-	(894.70)
Current service cost	198.43	319.59
Interest cost	119.14	120.26
Actuarial loss/(gain) due to change in financial assumptions	22.07	130.38
Actuarial loss/ (gain) due to experience adjustments	19.61	51.39
Benefits paid	(109.88)	(74.64)
Closing Defined Benefit Obligation	**1,981.73**	**1,732.36**

Reconciliation of plan assets:

(₹ in Lakhs)

Particulars	Gratuity	
	2018-2019	2017-2018
Opening value of plan assets	**1,557.26**	**1,197.56**
Interest Income	113.60	70.40
Return on plan assets excluding above	0.26	1.68
Contributions by employer	260.54	362.26
Benefits paid	(109.88)	(74.64)
Closing value of plan assets	**1,821.78**	**1,557.26**

Sensitivity analysis:

Assumptions	Change in assumptions		Increase/(decrease) in defined benefit obligation	
	Increase/decrease	Percentage	2018-2019	2017-2018
Discount rate	Increase by	0.5%	-2.73%	-2.53%
	Decrease by	0.5%	2.92%	2.70%
Salary growth rate	Increase by	0.5%	2.85%	2.65%
	Decrease by	0.5%	-2.69%	-2.50%
Withdrawal rate	Increase by	10%	-0.75%	-0.66%
	Decrease by	10%	0.81%	0.71%

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	2018-2019	2017-2018
Expected contribution for the next year (₹ Lakhs)	159.94	500.00
Weighted average duration for defined benefit obligation (years)	5.36	5.23

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.

48 DISCONTINUED OPERATION

a) During the year ended 31st March, 2018, based on the approval obtained from the Shareholders, the Holding Company had transferred its business of manufacture, sale, marketing and distribution of domestic formulations in India and Nepal ("Identified Business") by way of slump sale on going concern basis to Torrent Pharmaceuticals Limited ("Torrent"). Identified Business includes portfolio of several brands in India and Nepal, manufacturing facility at Sikkim and employees performing work in relation to said business.

b) Financial performance and cashflow information

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Revenue (including excise duty upto June 2017)	814.19	56,530.80
Expenses	567.23	41,172.68
Profit from Discontinued operations	**246.96**	**15,358.12**
Gain from sale of identified business(net)	-	3,21,731.05
Profit/(loss) from Discontinued operations (before tax)	**246.96**	**3,37,089.17**
Income tax expenses	71.24	69,288.37
Profit from Discontinued operations (after tax)	**175.72**	**2,67,800.80**
Net cash inflow(outflow) from Operating activities	546.64	(1,286.98)
Net cash inflow(outflow) from investing activities	-	2,66,489.87
Net cash inflow(outflow) from financing activities	-	-
Net increase in cash generated from discontinued operations	**546.64**	**2,65,202.89**

Revenue for the year ended 31st March, 2019 mainly includes reversal of provision for doubtful debts of ₹ 521.83 lakhs and other writebacks.

c) Details of sale of the identified business in the previous year

(₹ in Lakhs)

Particulars	2017-2018
Consideration received (net of incidental expenses)	3,35,428.62
Carrying amount of net assets transferred/adjusted	13,697.57
Gain on sale before income tax	**3,21,731.05**
Income tax expenses on gain	
Current tax*	74,068.00
Deferred tax	(278.40)
MAT credit availed*	(4,501.23)
Gain on sale after income tax	**2,52,442.68**

* at Holding Company level

Carrying amount of assets and liabilities as on 14th Dec 2017(date of transfer) were as follows :

(₹ in Lakhs)

Particulars	2017-2018
Property, Plant and Equipment	2,533.38
Financial assets	5,255.10
Other assets	13,553.17
Total Assets	**21,341.65**
Financial liabilities	7,644.08
Net Assets	**13,697.57**

49 SHARE BASED PAYMENT PLANS (ESOP)

(i) During the year ended 31st March, 2019 the Holding Company has share based payment arrangements which are described below:

Type of Arrangement	ESOP 2008			ESOP 2018	
	Independent Directors stock option scheme	Senior Management stock option scheme	Senior Management stock option scheme	Senior Management stock option scheme - I	Senior Management stock option scheme - II
Date of Grant	26.03.2009	17.06.2009	08.03.2014	06.08.2018	19.11.2018
Number granted	50,000	297,500	225,000	15,12,224	1,75,840
Contractual life	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting condition	As decided by Board/ Compensation Committee based on various factors				

(ii) Summary of stock option are as follows

Particulars	ESOP 2008	
	2018-2019	2017-2018
Option outstanding at the beginning of the year (Nos.)	68,750	1,84,225
Exercised during the year (Nos.)	(46,250)	(60,475)
Lapsed during the year (Nos.)		(55,000)
Option outstanding at the end of the year (Nos.)	22,500	68,750
Vested and exercisable at the end of the year (Nos.)	22,500	31,250
Weighted Average Exercise Price (₹)	46	46
Weighted Average Fair Value of Option (₹) *	149	149

* Fair value calculated based on Black & Scholes option pricing model

Particulars	ESOP 2018	
	2018-2019	2017-2018
Option outstanding at the beginning of the year (Nos.)	-	-
Granted during the year (Nos)	16,88,064	-
Exercised during the year (Nos.)	-	-
Lapsed during the year (Nos.)	-	-
Option outstanding at the end of the year (Nos.)	16,88,064	-
Vested and exercisable at the end of the year (Nos.)	-	-
Weighted Average Exercise Price (₹)	250	-
Weighted Average Fair Value of Option (₹) *	80	-

* Fair value calculated based on Black & Scholes option pricing model

(iii) Share price at the dates of options exercised during the year ended 31st March 2019 - 28th July 2018 ₹228.06, 30th Oct. 2018 ₹215.73.

(iv) Share options outstanding at the end of year have the following expiry dates and exercise prices

Grant Date	Expiry Date	Exercise price (₹)	No. of ESOPS	
			2018-2019	2017-2018
8th March 2014	7th March 2023	46	-	31,250
8th March 2014	7th March 2024	46	22,500	37,500
6th Aug. 2018	30th June 2023	250	7,56,112	-
6th Aug. 2018	30th June 2024	250	7,56,112	-
19th Nov. 2018	30th June 2023	250	87,920	-
19th Nov. 2018	30th June 2024	250	87,920	-
			17,10,564	**68,750**

(v) 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	2018-2019	2017-2018
Employee option plan	349.65	16.88
Total	**349.65**	**16.88**

50 RESEARCH & DEVELOPMENT EXPENDITURE

(At units approved by Department of Scientific & Industrial Research)

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Materials	3,208.58	2,518.34
Salaries, wages and Ex-gratia	2,458.58	2,302.13
Contribution to Provident fund and other Funds	97.80	86.38
Employee's welfare expenses	24.87	22.57
Rent	14.69	15.40
Insurance	13.72	10.85
Rates and Taxes	36.69	9.67
Repairs:		
Buildings	2.75	-
Plant and machinery	76.25	56.40
Others	239.80	204.72
Power and fuel	387.81	289.82
Travelling and conveyance	85.42	36.38
Interest	1.20	0.32
Legal & Professional Expenses	1,230.75	241.72
Others (Bioequivalence Studies, etc.)	3,756.97	2,702.16
Total	**11,635.88**	**8,496.86**

51 FINANCIAL INSTRUMENTS

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

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets* :				
Amortised cost				
Cash and cash equivalents	1,895.94	1,895.94	2,176.95	2,176.95
Other Bank Balances	394.26	394.26	1,538.74	1,538.74
Trade receivables	43,604.89	43,604.89	27,691.56	27,691.56
Loans	12.10	12.10	12.28	12.28
Other Financial Assets	3,101.73	3,101.73	940.58	940.58
Fair value through profit or loss				
Investments in mutual funds and bonds (including Cash and cash equivalents)	97,883.86	97,883.86	1,53,985.47	1,53,985.47
Investments in equity instruments	7.50	7.50	8.58	8.58
	237.94	237.94	-	-
Fair value through OCI				
Investments in equity instruments (other than investments in subsidiaries which is measured at cost & FVTPL)	12,000.62	12,000.62	-	-
Total	**1,59,138.84**	**1,59,138.84**	**1,86,354.16**	**1,86,354.16**
Financial liabilities :				
Amortised cost				
Borrowings	19,966.55	19,966.55	15,061.40	15,061.40
Trade payables	22,140.53	22,140.53	22,623.49	22,623.49
Other financial liabilities	3,371.17	3,371.17	4,201.88	4,201.88
Fair value through profit or loss				
Derivative Instruments	-	-	76.58	76.58
Total	**45,478.25**	**45,478.25**	**41,963.35**	**41,963.35**

* 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, 2019

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments	5.50	-	12,002.62	**12,008.12**
Investments in mutual funds & Bonds	97,883.86	-	-	**97,883.86**
Financial Liabilities				
Derivative Instruments (Gain)	-	237.94	-	**237.94**

Fair value hierarchy as at 31st March, 2018

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity instruments	6.58	-	2.00	**8.58**
Investments in mutual funds	1,53,985.47	-	-	**1,53,985.47**
Financial Liabilities				
Derivative Instruments(loss)	-	76.58	-	**76.58**

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) During the year the Holding Company has made investments in equity shares of unlisted companies aggregating to ₹ 12,000.62 lakhs. The Holding Company has elected to categorize these investment as fair value through other comprehensive income. Based on the overall evaluation carried out by the Holding Company of the investee company and considering no significant variation in their financial performance, cost of these investment is considered as an appropriate estimate of fair value as at Balance Sheet date. During the year 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

52 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 2019	USD	Euro	Others*	Total
Assets				
Trade Receivables	18,019.16	1,094.75	1,382.11	20,496.02
Total	**18,019.16**	**1,094.75**	**1,382.11**	**20,496.02**
Liabilities				
Trade Payable	3,058.78	651.37	115.76	3,825.91
Total	**3,058.78**	**651.37**	**115.76**	**3,825.91**
Net Assets/Liabilities	**14,960.38**	**443.38**	**1,266.35**	**16,670.11**

*Others mainly include currency namely Canadian Dollars / Japanese Yen

(₹ in Lakhs)

As at 31st March 2018	USD	Euro	Others*	Total
Assets				
Trade Receivables	16,920.62	3,504.14	1,262.20	21,686.96
Total	**16,920.62**	**3,504.14**	**1,262.20**	**21,686.96**
Liabilities				
Trade Payable	7,154.88	1,069.60	81.47	8,305.95
Total	**7,154.88**	**1,069.60**	**81.47**	**8,305.95**
Net Assets/ Liabilities	**9,765.74**	**2,434.54**	**1,180.73**	**13,381.01**

*Others mainly include currency namely Canadian Dollars / South African Rand

Sensitivity analysis

(₹ in Lakhs)

Particulars	FOREIGN CURRENCY SENSITIVITY					
	As at 31st March 2019			As at 31st March 2018		
	USD	Euro	Others	USD	Euro	Others
1 % Appreciation in INR Impact on Profit & Loss	(149.60)	(4.43)	(12.66)	(97.66)	(24.35)	(11.81)
1 % Depreciation in INR Impact on Profit & Loss	149.60	4.43	12.66	97.66	24.35	11.81

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 three third party customers which contributes to more than 10% of outstanding accounts receivables as of 31st March 2019. In previous year, no single third party customer contributed to more than 10% of outstanding accounts receivable.

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. 11 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 31-03-2019	In 1 year	More than 1 year	Total
Trade Payable	22,140.53	-	**22,140.53**
Borrowings*	19,966.55	-	**19,966.55**
Other financial liabilities	3,371.17	-	**3,371.17**
Total	**45,478.25**	**-**	**45,478.25**

(₹ in Lakhs)

As at 31-03-2018	In 1 year	More than 1 year	Total
Trade Payable	22,623.49	-	**22,623.49**
Borrowings*	15,028.72	32.68	**15,061.40**
Other financial liabilities	4,201.88	-	**4,201.88**
Total	**41,854.09**	**32.68**	**41,886.77**

*Excluding amortised cost adjustment.

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 standalone 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, 2019 and 31st March, 2018.

53 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, 2019

Particulars	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	AS % of consolidated net assets	₹ in Lakhs	AS % of consolidated profit or loss	₹ in Lakhs	AS % of consolidated other comprehensive income	₹ in Lakhs	AS % of consolidated total comprehensive income	₹ in Lakhs
Parent								
Unichem Laboratories Ltd.	104%	2,73,193.41	-37%	879.92	-15.2%	(28.49)	100.9%	851.43
Subsidiaries								
Foreign								
Niche Generics Limited.	-1%	(3,857.43)	60%	(1,418.88)	17.1%	32.00	-0.6%	(1,386.88)
Unichem SA Pty Ltd.	0%	13.47	-1%	20.89	-0.1%	(0.22)	0.0%	20.67
Unichem Farmaceutica Do Brasil Ltda	0%	49.18	24%	(581.88)	-18.0%	(33.71)	-0.2%	(615.59)
Unichem Pharmaceuticals (USA) Inc.	2%	5,583.66	-64%	1,523.98	118.5%	221.64	0.0%	1,745.62
Unichem Laboratories Limited. (Incorporated in Ireland)	0%	(331.61)	13%	(314.81)	8.2%	15.41	-0.1%	(299.40)
Associate								-
Synchron Research Pvt Ltd	0%	(126.01)	0%	6.52	0.0%	-	-0.1%	6.52
Consolidation Adjustments	-5%	(12,786.00)	105%	(2,495.78)	-10.5%	(19.66)	-0.1%	(2,515.44)
Total	**100%**	**2,61,990.69**	**100%**	**(2,380.04)**	**100%**	**186.97**	**100%**	**(2,193.07)**

Note:

1. The amounts given in the table above are from the annual accounts made for the financial year ended 31st March, 2019 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, 2019.

(b) As at and for the year ended 31st March, 2018

Particulars	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	AS % of consolidated net assets	₹ in Lakhs	AS % of consolidated profit or loss	₹ in Lakhs	AS % of consolidated other comprehensive income	₹ in Lakhs	AS % of consolidated total comprehensive income	₹ in Lakhs
Parent								
Unichem Laboratories Ltd.	103%	2,76,166.60	100%	2,55,659.85	39%	(180.08)	101%	2,55,479.77
Subsidiaries								
Foreign								
Niche Generics Limited.	-2%	(5,729.58)	-1%	(1,900.00)	46%	(211.00)	-1%	-2,111.00
Unichem SA Pty Ltd.	0%	(7.16)	0%	4.00	0%	(1.00)	0%	3.00
Unichem Farmaceutica Do Brasil Ltda	0%	(361.96)	0%	(432.00)	4%	(17.00)	0%	-449.00
Unichem Pharmaceuticals (USA) Inc.	1%	3,838.03	0%	(89.00)	-2%	7.00	0%	-82.00
Unichem Laboratories Limited. (Incorporated in Ireland)	0%	(393.31)	0%	(110.00)	19%	(89.00)	0%	-199.00
Associate								
Synchron Research Pvt Ltd	0%	114.59	0%	(22.32)	0%	-	0%	-22.32
Consolidation Adjustments	-2%	(6,342.75)	1%	1,381.00	-7%	32.45	0%	1,413.45
Total	**100%**	**2,68,008.38**	**100%**	**2,54,491.53**	**100%**	**(458.63)**	**100%**	**2,54,032.90**

Note:

1. The amounts given in the table above are from the annual accounts made for the financial year ended 31st March, 2018 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, 2018.

As per our report of even date attached
For N. A. Shah Associates LLP
Chartered Accountants
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

Neema Thakore
Head - Legal &
Company Secretary

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

Dilip Kunkolienkar
Director - Technical
DIN 02666678

Place: Mumbai
Date: 24th May, 2019

UNICHEM
LABORATORIES LTD.
CIN:L99999MH1962PLC012451
Unichem Bhavan, Prabhat Estate, Off S. V. Road, Jogeshwari (West), Mumbai - 400 102
Tel.: (022) 6688 8333 • Fax.: (022) 2678 4391
Website: www.unichemlabs.com • E-mail Id.: shares@unichemlabs.com

PROXY FORM - MGT-11

Name of the Member(s) :	
Registered Address :	
E-mail Id. :	
Folio No. / Client Id. :	
DP ID :	

I/We, being the Member(s) of .... shares of Unichem Laboratories Limited hereby appoint,

1.	Name :	
	E-mail Id. :	
	Address :	
	Signature :	

or failing her/him;

2.	Name :	
	E-mail Id. :	
	Address :	
	Signature :	

or failing her/him;

3.	Name :	
	E-mail Id. :	
	Address :	
	Signature :	

(contd.)

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56th Annual General Meeting of the Company, to be held on Saturday, July 27, 2019 at 3:00 p.m. at Rama Watumull Auditorium, Kishinchand Chellaram College (K. C. College), 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below.

I wish my above proxy to vote in the manner as indicated in the below table:

Sr. No.	Resolutions
1.	Consider and adopt: (a) Audited standalone financial statements and Reports thereon for the year ended March 31, 2019. (b) Audited consolidated financial statements for the year ended March 31, 2019.
2.	Declaration of dividend for the year ended March 31, 2019.
3.	Re-appointment of Mr. Dilip Kunkolienkar (DIN 02666678), Director, who retires by rotation.
4.	Ratification of remuneration payable to the Cost Auditors, Kishore Bhatia & Associates.

Signed this .... day of .... 2019.

Affix Revenue Stamp of ₹1/-

Signature of Shareholder

Signature of Proxyholder (s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than forty eight hours before the meeting.

2. A proxy need not be a member of the Company.

Life at Unichem

Women's Day celebration
at Jogeshwari, Mumbai, Corporate Office

Safety Day Session
at Goa

Cricket Tournament
at Kolhapur

Golf Championship
before Ghaziabad Meet

Independence Day celebration
at Roha

Graduation of MDP LEAP
batch from SIBM, Pune

Kiosk inauguration
at Baddi

Yoga Day celebration
at Pithampur

UNICHEM
LABORATORIES LTD.

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