



February 5, 2024

Department of Corporate Services,
Bombay Stock Exchange,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

National Stock Exchange of India,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Script Code: 506690

Symbol: UNICHEMLAB

Re: Outcome of the Board Meeting

Dear Sir/Madam,

We would like to inform you that the Board of Directors at its Meeting held today, i.e. Monday, February 5, 2024, approved the Unaudited Financial Results (Standalone & Consolidated) for the third quarter and nine months ended December 31, 2023. Enclosed herewith please find the Unaudited Financial Results (Standalone & Consolidated) for the third quarter and nine months ended December 31, 2023, and the Auditors Reports thereon.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform that based on the recommendations of Nomination & Remuneration Committee meeting held today, Board has also approved the appointment of Mr. Anand Kusre (DIN 00818477) and Mr. Arun Todarwal (DIN 00020916) as Independent Directors of the Company for a term of five consecutive years with effect from February 5, 2024. The said appointment shall be subject to approval of Shareholders.

Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Independent Directors being appointed:

Particulars	Mr. Anand Kusre	Mr. Arun Todarwal
Date of Birth	18/07/1949	16-06-1957
DIN No.	00818477	00020916
Date of Appointment	5 th February 2024 (as an Additional Director in the capacity of an Independent Director of the Company for a period of five consecutive years from 5 th February 2024 to 4 th February 2029, subject to approval of the Shareholders of the Company.	5 th February 2024 (as an Additional Director in the capacity of an Independent Director of the Company for a period of five consecutive years from 5 th February 2024 to 4 th February 2029, subject to approval of the Shareholders of the Company.
Qualifications	M. Tech. in Chemical Engineering from the Indian Institute of Technology (IIT), Mumbai	B.Com, Chartered Accountant (FCA)
Experience in years	More than 40 years	More than 35 years
Expertise in specific functional areas	Has more than four decades of experience in designing and managing programmes aimed at development and commercialization of technologies. He	Management Consultancy, Statutory Audits, Internal Audits, Management and Systems Audits, Due diligences, Taxation, International Taxation, etc. in



Particulars	Mr. Anand Kusre	Mr. Arun Todarwal
	has also supported several companies and technology institutions for the development of innovative products. He is also actively associated with industry associations and leading academic and professional institutes.	India, Dubai and several other countries
Skills and capabilities required and the manner in which the proposed person meets such requirements	Research & development, technology, commercial, finance and banking.	Knowledge of accounts, finance, taxation, risk management, legal and general management.
Terms and Conditions of appointment and proposed remuneration to be paid	Independent Director, not liable to retire by rotation, to hold office for a period of five consecutive years, with effect from 5 th February 2024 upto 4 th February 2029.	Independent Director, not liable to retire by rotation, to hold office for a period of five consecutive years, with effect from 5 th February 2024 upto 4 th February 2029.
Directorships held in other companies	<ol style="list-style-type: none">1. Ipca Laboratories Limited2. Entrepreneurship Development Centre, Pune3. Dharwad Research and Technology Incubator Foundation	<ol style="list-style-type: none">1. Sintex-Bapl Limited2. Anuh Pharma Limited3. Welspun Corp Limited4. Lakecity Ventures Private Limited5. PTC Cables Pvt Ltd
Listed entities from which the person has resigned in the past three years	None	Welspun India Limited
Memberships (M) /Chairmanships (C) of committees of other companies	Ipca Laboratories Limited: Audit Committee – Chairman; Nomination and Remuneration Committee – Chairman	Anuh Pharma Limited: Audit Committee – Member; Corporate Social Responsibility – Member and Nomination & Remuneration Committee – Chairman Welspun Corp Limited: Audit Committee – Chairman; ESG and CSR Committee – Member; Nomination & Remuneration Committee – Chairman; Share Transfer Committee – Chairman; Finance and Administration Committee – Chairman and



Particulars	Mr. Anand Kusre	Mr. Arun Todarwal
		Risk Management Committee – Member Sintex-BAPL Limited: Audit Committee – Chairman
Relationship with other Directors and Key Managerial Personnel	He is not related to any other Director and Key Managerial Personnel of the Company	He is not related to any other Director and Key Managerial Personnel of the Company
Number of Equity Shares held in the Company including beneficial owner	None	None

To the best of our knowledge and information and as confirmed by Mr. Anand Kusre and Mr. Arun Todarwal, they have not been debarred from holding the office as a Director of the Company, by virtue of an Order passed by the Securities and Exchange Board of India or any other authority. Further, as affirmed by them, they are not disqualified from holding the office as a Director pursuant to the provisions of Section 164 of the Companies Act, 2013.

Accordingly, we will be seeking members approval by postal ballot. The Company shall intimate the Stock Exchanges on completion of dispatch of the Postal Ballot notice. The Board has also appointed Mr. Alwyn Dsouza or failing him Mr. Jay D'Souza of Alwyn Jay & Co., Practicing Company Secretaries, who have given the consent to act as the Scrutinizer, for the Postal Ballot process.

Consequent to the above, the revised composition of the Board of Directors of the Company w.e.f. February 5, 2024 will be:

Name of Committees	Composition
Dr. Prakash A. Mody	Non-Executive & Non-Independent Director – Chairperson
Mr. Pranay Godha	Non-Executive & Non-Independent Director
Mr. Pabitrakumar Kalipada Bhattacharyya	Managing Director
Mr. Prafulbhai Anubhai Shah	Non-Executive Independent Director
Mr. Prafull D Sheth	Non-Executive Independent Director
Mr. Anand Yashavant Mahajan	Non-Executive Independent Director
Mrs. Priti Puri	Non-Executive Independent Director
Mr. Arun Todarwal	Non-Executive Independent Director
Mr. A T Kusre	Non-Executive Independent Director



UNICHEM LABORATORIES LTD.

In view of the above changes in the Board of Directors, the Board committees stand reconstituted as under with immediate effect:

Name of Committees	Composition
Audit Committee	Mr. Arun Todarwal (CM) Mr. A T Kusre (M) Mrs. Priti Puri (M) Mr. Pabitrakumar Bhattacharyya (M)
Nomination & Remuneration Committee	Mr. A T Kusre (CM) Mr. Arun Todarwal (M) Mrs. Priti Puri (M)
Risk Management Committee	Mr. Arun Todarwal (CM) Mr. A T Kusre (M) Mr. Pranay Godha (M) Mr. Pabitrakumar Bhattacharyya (M)
Corporate Social Responsibility Committee	Mr. A T Kusre (M) Mr. Pranay Godha (M) Mr. Pabitrakumar Bhattacharyya (M)
Stakeholders' Relationship Committee	Mr. A T Kusre (CM) Mr. Pranay Godha (M) Mr. Pabitrakumar Bhattacharyya (M)

(CM – Chairman; M – Member)

The Board Meeting commenced at 11:30 a.m. and concluded at 02:00 p.m.

Please take the above on record.

Thanking You,

For **UNICHEM LABORATORIES LIMITED**



PRADEEP BHANDARI

Head – Legal & Company Secretary

Encl.: a/a

UNICHEM LABORATORIES LIMITED
CIN: L99999MH1962PLC012451
Statement of Unaudited Consolidated Results for the Quarter & Nine Months ended 31st December, 2023

Particulars	Quarter ended			Nine months ended		₹ Lakhs
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	Year ended 31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	43,437.87	41,562.90	30,249.52	1,27,319.42	94,092.28	1,34,302.22
II Other income	1,127.65	553.55	1,635.14	2,544.27	3,340.44	3,851.51
III Total income (I+II)	44,565.52	42,116.45	31,884.66	1,29,863.69	97,432.72	1,38,153.73
IV EXPENSES						
Cost of materials consumed	19,391.98	17,494.47	12,765.37	54,513.05	37,253.91	53,219.93
Purchase of stock-in-trade	21.28	24.22	28.32	69.88	103.76	152.65
Changes in inventories of finished goods and work-in-progress	(2,764.56)	(1,238.11)	987.52	(4,809.53)	400.56	1,720.09
Employee benefits expense	9,811.34	9,671.53	9,057.17	29,363.70	26,768.40	35,641.05
Finance costs	558.00	672.61	408.59	1,806.73	1,178.80	1,731.25
Impairment loss on financial assets	-	-	56.95	-	170.85	341.72
Depreciation and amortization expenses	2,785.79	2,945.46	3,078.16	8,608.37	8,376.07	11,344.37
Other expenses	13,166.34	14,734.49	11,630.46	40,692.73	35,598.76	47,782.32
Total expenses (IV)	42,970.17	44,304.67	38,012.54	1,30,244.93	1,09,851.11	1,51,933.38
V Share of profit / (loss) in associate (net of tax)	-	-	-	-	-	-
VI Profit / (Loss) before exceptional items and tax (III- IV+V)	1,595.35	(2,188.22)	(6,127.88)	(381.24)	(12,418.39)	(13,779.65)
VII Exceptional items - expenses/(income) (Refer note 7)	(6,801.48)	-	-	(6,801.48)	502.24	3,856.64
VIII Profit / (Loss) before tax (VI-VII)	8,396.83	(2,188.22)	(6,127.88)	6,420.24	(12,920.63)	(17,636.29)
IX Tax expense						
(1) Current tax	178.94	201.48	248.40	463.32	815.16	1,105.63
(2) Deferred tax charge / (credit) (Refer note 4)	(181.16)	59.09	16.43	73.49	2,060.42	1,534.98
(3) Short / (excess) provision for tax (earlier years)	-	-	-	-	-	(54.14)
	(2.22)	260.57	264.83	536.81	2,875.58	2,586.47
X Profit / (Loss) for the period after tax (VIII-IX)	8,399.05	(2,448.79)	(6,392.71)	5,883.43	(15,796.21)	(20,222.76)
XI Other Comprehensive Income / (Loss)						
A. (i) Items that will not be reclassified subsequently to profit or loss						
- Remeasurement of the net defined benefit plan	32.50	(112.21)	(4.95)	(97.58)	183.11	224.63
- Equity instruments through other comprehensive income	-	-	-	-	1,586.82	1,586.82
(ii) Income tax (expense) / credit relating to items that will not be reclassified to profit or loss						
- Remeasurement of the net defined benefit plan	-	-	-	-	-	-
- Equity instruments through other comprehensive income (net)	-	-	-	-	2,061.22	2,061.22
B. (i) Items that will be reclassified to profit or loss (Foreign currency translation difference)	(192.90)	47.40	39.32	(378.61)	1,021.27	719.82
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total of Other Comprehensive Income / (Loss)	(160.40)	(64.81)	34.37	(476.19)	4,852.42	4,592.49
XII Total Comprehensive Income for the period (X+XI)	8,238.65	(2,513.60)	(6,358.34)	5,407.24	(10,943.79)	(15,630.27)
XIII Paid-up equity share capital (Face value of ₹ 2/- per share)	1,408.12	1,408.12	1,408.12	1,408.12	1,408.12	1,408.12
XIV Other Equity (Reserves excluding revaluation reserve)						2,42,122.29
XV Earnings per equity share (Face value of ₹ 2/- per share) (not annualized)						
(1) Basic	11.93	(3.48)	(9.08)	8.36	(22.44)	(28.72)
(2) Diluted	11.92	(3.48)	(9.08)	8.35	(22.44)	(28.72)

Notes:

- The above unaudited consolidated financial results ("the Statement") for the quarter and nine months ended 31st December, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 5th February, 2024. The statutory auditors have expressed a qualified audit conclusion on these consolidated financial results for the quarter and nine months ended 31st December, 2023, in regard to the matter given in note 5 below.
- The above Statement has been prepared in accordance with the guidelines issued by the Securities and Exchange Board of India ("SEBI") and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013.
- Operating Segment: The Company has a single reportable segment i.e. 'Pharmaceuticals'.
- In respect of the Company, deferred tax assets is recognised on the amount of tax loss, unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability.

In respect of a subsidiary, deferred tax assets (net) are recognised as per applicable tax laws.

5 On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd. ("Niche") contending that they had acted in breach of EU competition law as Niche had, in early 2005 (when the Company was only a part owner and financial investor in Niche) agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company and Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits, have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited. The management has obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and fine imposed by the EU of Euro 13.96 million (equivalent to ₹ 12,319.69 lakhs) is continued to be disclosed under contingent liability.

On the above matter, the auditors of Niche have given qualified conclusion in their limited review report for the quarter ended 30th June, 2023, 30th September, 2023 and qualified opinion in their audit report for the year ended 31st March, 2023.

Further, on the aforesaid matter, the statutory auditor of the Company have given qualified conclusion in their limited review report on the Statement for the quarter and nine months ended 31st December, 2023. The above matter was also qualified in the limited review reports and audit reports issued by the statutory auditors of the Company for the quarter ended 30th June, 2023, 30th September, 2023 and year ended 31st March, 2023.

6 During the year ended 31st March, 2023, the Company had sold specified number of shares held in Optimus Drugs Private Limited ('Investee' or 'Optimus') to Sekhmet Pharmaventures Private Limited ('Purchaser') in terms of Share Purchase Agreement ('SPA') dated 10th May, 2022. Further, the number of shares sold included additional equity shares issued to Company pursuant to conversion of bonus Compulsory Convertible Preference Shares which were allotted to the Company during the year ended 31st March, 2023 and the net gain on disposal of investments amounting to ₹ 1,084.58 lakhs was accounted / disclosed as follows:

Exceptional item

This represents gain / loss on disposal of 7,29,849 equity shares out of additional equity shares issued to the Company during the year ended 31st March, 2023 by Optimus pursuant to conversion of bonus Compulsory Convertible Preference Shares. The net loss of ₹ 502.24 lakhs was determined after reducing from sale proceeds fair value of bonus equity shares and related transaction cost incurred on such sale.

Recognized in OCI

The net gain of ₹ 1,586.82 lakhs (before related taxes thereon) on disposal of equity shares of Optimus which was accounted under 'Fair Value through Other Comprehensive Income' category.

The balance number of unsold equity shares with carrying value of ₹ 28.77 lakhs as at the last audited balance sheet date are classified as Fair Value through Profit and Loss. This is based on the fair valuation report obtained during the year ended 31st March, 2023 and subsequent fair value for June and September quarter could not be done for reasons mentioned in the respective quarterly results.

During the quarter and nine months ended 31st December, 2023, as per the SPA, the Company has sold off such balance equity shares and the resultant net gain is ₹ 6,478.91 lakhs is disclosed as Exceptional Item.

7 Exceptional Items comprise of the following:

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
(Gain) / Loss on disposal of investment (refer note 6 above)	(6,478.91)	-	-	(6,478.91)	502.24	502.24
Net (gain) / loss on disposal of Property, Plant and Equipment	(322.57)	-	-	(322.57)	-	-
Employee benefits expense (one-time discretionary loyalty bonus)	-	-	-	-	-	3,354.40
Total Exceptional Items – expenses / (income)	(6,801.48)	-	-	(6,801.48)	502.24	3,856.64

8 The aggregate amount of revenue expenditure incurred on Research and Development as included in the relevant expense heads is as tabulated below:

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
Total R&D expenditure	2,623.34	2,903.38	2,829.48	8,209.18	7,991.83	10,939.82

By Order of the Board
For Unichem Laboratories Limited

Pabitrakumar
Kalipada
Bhattacharyya

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Kalipada Bhattacharyya
Date: 2024.02.05 13:16:41 +05'30'



Mr. Pabitrakumar Kalipada Bhattacharyya
Managing Director
DIN: 07131152

Place: Mumbai
Date: 5th February, 2024

SIGNED FOR IDENTIFICATION BY

BHAVIN SURENDRA KAPADIA
Digitally signed by BHAVIN SURENDRA KAPADIA
Date: 2024.02.05 13:32:37 +05'30'

N.A. SHAH ASSOCIATES LLP
MUMBAI


N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's Review Report on quarterly and year to date Consolidated Unaudited Financial Results of Unichem Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
Unichem Laboratories Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **Unichem Laboratories Limited** ("the Holding Company"), comprising its subsidiaries (the Holding and its subsidiaries collectively referred to as "the Group") and its share in associate for the quarter and nine months ended 31st December, 2023 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

Management's responsibility

2. The Statement is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors. The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

Auditor's responsibility

3. Our responsibility is to issue a report on this Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Independent Auditor's Review Report on quarterly and year to date Consolidated Unaudited Financial Results of Unichem Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (continued)

4. These consolidated unaudited financial results include:

(a) results of the following subsidiaries:

- 1) Niche Generics Limited, United Kingdom
- 2) Unichem Pharmaceuticals (USA), Inc., USA
- 3) Unichem Laboratories Limited, Ireland
- 4) Unichem SA (Pty) Limited, South Africa
- 5) Unichem Farmaceutica Do Brasil Ltda, Brazil
- 6) Unichem (China) Pvt. Ltd.

(b) results of the associate: Synchron Research Services Pvt. Ltd.

Basis for qualified conclusion

5. We draw attention to note 5 of the Statement which sets out the current ongoing litigation regarding the EU matter that the subsidiary (Niche Generics Limited, UK) is facing. The auditors of Niche had issued a qualified conclusion for the quarter and half year ended 30th September, 2023 stating that:

“Niche Generics Limited has not recognized a provision on account of an ongoing appeal against a fine imposed by the European Commission. Whilst previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, following the hearing in October 2021 and our review of the available documentation, our conclusion is that it is more likely than not that the Company will be liable for the fine of Euro 13.96 million (worth approximately GBP 12.10 million as at 30th September, 2023). Accordingly, we believe that this should have been provided for in the financial statements. The Directors' opinion is that there remains an inherent uncertainty as to the outcome of the appeal and therefore, the Directors are of the opinion that no provision should be made at this point in time. The impact on these financial statements of including the provision, assuming the fine is not shared with the parent entity, would be that Niche would show an increase in accumulated losses and in net liabilities of Euro 13.96 million.”

As per the management, the above matter is continued for the quarter and nine months ended 31st December 2023. Our conclusion is qualified in respect of this matter for the quarter and nine months ended 31st December, 2023. Our audit report for the previous year ended 31st March, 2023 and limited review report for the quarter ended 30th June, 2023 and 30th September, 2023 was also qualified in respect of this matter.

Qualified conclusion

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, except for the effects of the matter described in 'Basis for qualified conclusion' paragraph above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.


N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's Review Report on quarterly and year to date Consolidated Unaudited Financial Results of Unichem Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (continued)

Other matters

7. We did not review the interim financial statements of subsidiary at USA, whose interim financial statements reflect total revenues (including other income) of Rs. 25,201.45 lakhs and Rs. 74,654.07 lakhs, total net profit / (loss) after tax and total comprehensive income of Rs. 577.21 lakhs and Rs. 1,384.20 lakhs for the quarter and nine months ended 31st December, 2023 respectively as considered in the unaudited consolidated financial results. These financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the unaudited consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of the Listing Regulations (as amended), in so far as it relates to aforesaid subsidiary located outside India is based on the report of other auditors and the procedures performed by us as stated in paragraph 3 above.
8. We also did not review the interim financial information of balance five subsidiaries, whose interim financial statements reflect total revenues (including other income) of Rs. 6,478.74 lakhs and Rs. 16,589.16 lakhs, total net profit / (loss) after tax and total comprehensive income of Rs. 1,430.92 lakhs and Rs. 1,854.77 lakhs for the quarter and nine months ended 31st December, 2023 respectively as considered in the unaudited consolidated financial results. These financial information are not subject to limited review by their auditors and have been furnished to us by the management and our conclusion on the consolidated unaudited financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is solely based on the information provided by the management. According to the information and explanations given to us by the management, these financial information are not material to the Group.
9. In case of associate, the carrying value of investment had been fully impaired. Further, financial information of associate is not available for the nine months ended 31st December, 2023. In view of the above and in our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our conclusion on the Statement is not modified in respect of our reliance on the unaudited interim financial results/financial information certified by the Management.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W / W100149

BHAVIN SURENDRA
KAPADIA

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Date: 2024.02.05 13:33:21
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Bhavin Kapadia

Partner

Membership No.: 118991

UDIN: 24118991BKFQTE6220

Place: Mumbai

Date: 5th February, 2024

UNICHEM LABORATORIES LIMITED

CIN: L99999MH1962PLC012451

Statement of Unaudited Standalone Results for the Quarter & Nine Months ended 31st December, 2023

Particulars	₹ Lakhs					
	Quarter ended			Nine months ended		Year ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	36,242.74	33,383.05	25,194.83	1,04,292.49	76,236.79	1,07,243.22
II Other income	994.21	758.06	1,543.33	2,334.89	3,805.91	4,184.75
III Total income (I+II)	37,236.95	34,141.11	26,738.16	1,06,627.38	80,042.70	1,11,427.97
IV EXPENSES						
Cost of materials consumed	18,868.93	16,687.87	11,585.46	52,754.96	34,460.10	50,033.50
Purchase of stock-in-trade	21.28	24.22	28.32	69.88	103.76	152.65
Changes in inventories of finished goods and work-in-progress	(1,495.25)	(484.38)	1,668.16	(2,423.79)	1,719.36	2,201.32
Employee benefits expense	7,115.72	7,006.96	6,876.25	21,484.08	20,479.69	27,086.47
Finance costs	236.22	382.47	176.05	866.22	644.84	938.02
Impairment loss on financial assets	-	-	56.95	-	170.85	341.72
Depreciation and amortization expenses	2,561.67	2,725.95	2,863.53	8,023.89	7,766.17	10,597.92
Other expenses	9,799.82	10,878.99	9,195.92	30,374.85	27,721.25	36,718.90
Total expenses (IV)	37,108.39	37,222.08	32,450.64	1,11,150.09	93,066.02	1,28,070.50
V Profit / (Loss) before exceptional items and tax (III-IV)	128.56	(3,080.97)	(5,712.48)	(4,522.71)	(13,023.32)	(16,642.53)
VI Exceptional items - expenses/(income) (Refer note 8)	(6,801.48)	-	-	(6,801.48)	502.24	11,266.44
VII Profit / (Loss) before tax (V-VI)	6,930.04	(3,080.97)	(5,712.48)	2,278.77	(13,525.56)	(27,908.97)
VIII Tax expense						
(1) Current tax	-	-	-	-	-	-
(2) Deferred tax charge / (credit) (Refer note 4)	-	-	-	-	2,061.22	2,061.22
(3) Short / (excess) provision for tax (earlier years)	-	-	-	-	-	-
	-	-	-	-	2,061.22	2,061.22
IX Profit / (Loss) for the period after tax (VII-VIII)	6,930.04	(3,080.97)	(5,712.48)	2,278.77	(15,586.78)	(29,970.19)
X Other Comprehensive Income / (Loss)						
A. (i) Items that will not be reclassified subsequently to profit or loss						
- Remeasurement of the net defined benefit plan	32.50	(112.21)	(4.95)	(97.58)	183.11	224.63
- Equity instruments through other comprehensive income	-	-	-	-	1,586.82	1,586.82
(ii) Income tax (expense) / credit relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
- Remeasurement of the net defined benefit plan	-	-	-	-	-	-
- Equity instruments through other comprehensive income (net)	-	-	-	-	2,061.22	2,061.22
B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total of Other Comprehensive Income / (Loss)	32.50	(112.21)	(4.95)	(97.58)	3,831.15	3,872.67
XI Total Comprehensive Income for the period (IX+X)	6,962.54	(3,193.18)	(5,717.43)	2,181.19	(11,755.63)	(26,097.52)
XII Paid-up equity share capital (Face value of ₹ 2/- per share)	1,408.12	1,408.12	1,408.12	1,408.12	1,408.12	1,408.12
XIII Other Equity (Reserves excluding revaluation reserve)						2,37,018.94
XIV Earnings per equity share (Face value of ₹ 2/- per share) (not annualized)						
(1) Basic	9.85	(4.38)	(8.11)	3.24	(22.14)	(42.57)
(2) Diluted	9.85	(4.38)	(8.11)	3.24	(22.14)	(42.57)

Notes:

- The above unaudited standalone financial results ("the Statement") for the quarter and nine months ended 31st December, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 5th February, 2024. The statutory auditors have expressed a qualified audit conclusion on these standalone financial results for the quarter and nine months ended 31st December, 2023, in regard to the matter given in note 5 below.
- The above Statement has been prepared in accordance with the guidelines issued by the Securities and Exchange Board of India ("SEBI") and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013.
- Operating Segment: The Company has a single reportable segment i.e. 'Pharmaceuticals'.
- Deferred tax asset is recognised on the amount of tax loss, unabsorbed tax depreciation and other temporary differences to the extent of deferred tax liability.
- On 9th July, 2014, the European Commission ("EU") decided to impose an unjustified fine of Euro 13.96 million, jointly and severally on the Company and its subsidiary Niche Generics Ltd. ("Niche") contending that they had acted in breach of EU competition law as Niche had, in early 2005 (when the Company was only a part owner and financial investor in Niche) agreed to settle a financially crippling patent litigation with Laboratories Servier. The Company vehemently denies any wrongdoing on the part of either itself or Niche. Both the Company and Niche had submitted appeals in September 2014 to the General Court of the EU seeking appropriate relief in the matter. The General Court of the EU has rejected the appeals vide Order dated 12th December, 2018 and confirmed the fine of Euro 13.96 million. The Company and its subsidiary based on legal advice and merits have filed appeals against the decision of General Court before the Court of Justice of the EU and outcome of the appeals are awaited.

In this regard, the statutory auditors of Niche had given qualified audit opinion on the financial statements of Niche for the year ended 31st March, 2023 and continued the qualification in their limited review report for the quarter and half year ended 30th September, 2023. They had stated that, "previously the outcome of the appeal was sufficiently uncertain that a contingent liability was deemed sufficient, however, following the hearing in October 2021 and their review of the available documentation, their opinion is that it is more likely than not that Niche will be liable for the fine of Euro 13.96 million (equivalent to ₹ 12,319.69 lakhs) and hence, they believe that this should be provided for in the financial statement of Niche. As per the Board of Directors of Niche, there remains an inherent uncertainty as to the outcome of the appeal and therefore, the Directors are of the opinion that no provision should be made at this point of time." The management had obtained the counsel view on this matter and they have stated that there has not been any formal change in position after the last hearing and the uncertainty as in the past continues. Considering the status quo, in view of the management, no provision for the aforesaid fine is considered necessary and the matter is continued to be disclosed under contingent liability.

Based on the unaudited balance sheet as at 31st December, 2023, the Company has aggregate financial exposure of ₹ 13,585.59 lakhs in Niche comprising of investment, trade receivable and corporate guarantee given to bank for loan availed by Niche. Considering the impact of ongoing litigation as elaborated in the above para and accumulated losses in Niche as at 31st December, 2023, the statutory auditors of the Company are of the view that the Company would need to provide for impairment on the financial exposure of ₹ 13,585.59 lakhs.

Considering the above uncertainty in regard to ongoing litigation related to EU matter and circumstances prevailing as at 31st December, 2023, such as past performance, results, accumulated losses, expected cash flows, the management of the Company on the basis of abundant precaution had made full provision in the year ended 31st March, 2023 towards impairment of long-term investment in Niche amounting to ₹ 6,909.36 lakhs, such provision is grouped under exceptional item in the Statement. Further, the management is of the view that no further provision is required for the balance financial exposure of ₹ 6,676.23 lakhs in view of the future business outlook, unless the outcome of EU matter is not in favour of the subsidiary.

On the above matter, the auditors of the Company had given a qualified opinion in their audit report on the Statement for the year ended 31st March, 2023 and continued the qualification in their limited review report for the quarter ended 30th June, 2023, 30th September, 2023 and nine months ended 31st December, 2023.

- 6 During the year ended 31st March, 2023, the Company on the basis of abundant precaution had made a full provision towards impairment of long-term investment in its wholly owned subsidiary "Unichem Laboratories Ltd, Ireland" amounting to ₹ 2,104.84 lakhs which is grouped under exceptional item in the Statement. The management had made this provision after an internal assessment based on circumstances prevailing as at the last audited balance sheet date, such as past performance, results, accumulated losses, negative net worth and expected cash flows.
- 7 During the year ended 31st March, 2023, the Company had sold specified number of shares held in Optimus Drugs Private Limited ('Investee' or 'Optimus') to Sekhmet Pharmaventures Private Limited ('Purchaser') in terms of Share Purchase Agreement ('SPA') dated 10th May, 2022. Further, the number of shares sold included additional equity shares issued to Company pursuant to conversion of bonus Compulsory Convertible Preference Shares which were allotted to the Company during the year ended 31st March, 2023 and the net gain on disposal of investments amounting to ₹ 1,084.58 lakhs was accounted / disclosed as follows:

Exceptional item

This represents gain / loss on disposal of 7,29,849 equity shares out of additional equity shares issued to the Company during the year ended 31st March, 2023 by Optimus pursuant to conversion of bonus Compulsory Convertible Preference Shares. The net loss of ₹ 502.24 lakhs was determined after reducing from sale proceeds fair value of bonus equity shares and related transaction cost incurred on such sale.

Recognized in OCI

The net gain of ₹ 1,586.82 lakhs (before related taxes thereon) on disposal of equity shares of Optimus which was accounted under 'Fair Value through Other Comprehensive Income' category.

The balance number of unsold equity shares with carrying value of ₹ 28.77 lakhs as at the last audited balance sheet date are classified as Fair Value through Profit and Loss. This is based on the fair valuation report obtained during the year ended 31st March, 2023 and subsequent fair value for June and September quarter could not be done for reasons mentioned in the respective quarterly results.

During the quarter and nine months ended 31st December, 2023, as per the SPA, the Company has sold off such balance equity shares and the resultant net gain is ₹ 6,478.91 lakhs is disclosed as Exceptional Item.

- 8 Exceptional Items comprise of the following:

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
Impairment of investment in subsidiary "Niche Generics Limited, United Kingdom" (refer note 5 above)	-	-	-	-	-	6,909.36
Impairment of investment in subsidiary "Unichem Laboratories Limited, Ireland" (refer note 6 above)	-	-	-	-	-	2,104.84
(Gain) / Loss on disposal of investment (refer note 7 above)	(6,478.91)	-	-	(6,478.91)	502.24	502.24
Net (gain) / loss on disposal of Property, Plant and Equipment	(322.57)	-	-	(322.57)	-	-
Employee benefits expense (one-time discretionary loyalty bonus)	-	-	-	-	-	1,750.00
Total Exceptional Items – expenses / (income)	(6,801.48)	-	-	(6,801.48)	502.24	11,266.44

- 9 The aggregate amount of revenue expenditure incurred on Research and Development as included in the relevant expense heads is as tabulated below:

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
Total R&D expenditure	2,623.34	2,903.38	2,829.48	8,209.18	7,991.83	10,939.82

- 10 During the quarter ended 31st December, 2023, the Company has invested USD 1,00,000 (equivalent to ₹ 83.42 lakhs) towards equity in its wholly owned subsidiary - "Unichem (China) Pvt Ltd."

Place: Mumbai
Date: 5th February, 2024

By Order of the Board
For Unichem Laboratories Limited

Pabitrakumar
Kalipada
Bhattacharyya

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Pabitrakumar Kalipada
Bhattacharyya
Date: 2024.02.05 13:17:06
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Mr. Pabitrakumar Kalipada Bhattacharyya
Managing Director
DIN: 07131152

SIGNED FOR IDENTIFICATION BY

BHAVIN SURENDRA KAPADIA
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Date: 2024.02.05 13:32:04
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N.A. SHAH ASSOCIATES LLP
MUMBAI



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Independent Auditor's Review Report on quarterly and year to date Standalone Unaudited Financial Results of Unichem Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To

The Board of Directors

Unichem Laboratories Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ("the Statement") of **Unichem Laboratories Limited** ("the Company") for the quarter and nine months ended 31st December, 2023, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

Management's responsibility

2. The Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

Auditor's responsibility

3. Our responsibility is to issue a report on this Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus, provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Independent Auditor's Review Report on quarterly and year to date Standalone Unaudited Financial Results of Unichem Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (continued)

Basis for qualified conclusion

4. We draw attention to note 5 of the Statement regarding the EU fine matter and the Company's balance financial exposure (net of impairment of investment of Rs. 6,909.36 lakhs) as on 31st December, 2023 of Rs. 6,676.23 lakhs in the subsidiary (Niche Generics Limited, UK) in respect of which in our view, the Company would need to provide for impairment of balance financial exposure of Rs. 6,676.23 lakhs. However, the management is of the view that no further provision is required for the balance financial exposure of Rs. 6,676.23 lakhs unless the outcome of EU matter is not in the favour of the subsidiary. Our conclusion is qualified in respect of this matter for the quarter and nine months ended 31st December, 2023. Our audit report for the previous year ended 31st March, 2023 and limited review report for the quarter ended 30th June, 2023 and 30th September, 2023 was also qualified in respect of this matter.

Qualified conclusion

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the effects of the matter described in 'Basis for qualified conclusion' paragraph above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards i.e. "Ind AS" prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W / W100149

BHAVIN SURENDRA
KAPADIA

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Date: 2024.02.05 13:32:59
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Bhavin Kapadia

Partner

Membership No.: 118991

UDIN: 24118991BKFQTD9505

Place: Mumbai

Date: 5th February, 2024