



UNICHEM
LABORATORIES LTD.

November 1, 2023

BSE Limited
25th P. J. Towers,
Dalal Street, Fort,
Mumbai - 400 001

Scrip Code -506690

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

Symbol – UNICHEMLAB

Dear Sirs,

Sub: Outcome of Board Meeting held on November 1, 2023

We would like to inform you that Board of Directors at its Meeting held today, i.e. Wednesday, November 1, 2023, approved the Unaudited Financial Results (Standalone & Consolidated) for the Second and Six months ended September 30, 2023 of the financial year 2023-24. Enclosed herewith please find the Unaudited Financial Results (Standalone & Consolidated) for the second quarter and six months ended September 30, 2023 of the financial year 2023-24, and the Auditors Reports thereon.

The Board Meeting commenced at 11:15 a.m. and concluded at 01:15 p.m.

Kindly take the same on your records.

Thanking you,
For UNICHEM LABORATORIES LIMITED

PRADEEP BHANDARI
Head- Legal & Company Secretary



Encl: a/a

Statement of Unaudited Standalone Results for the Quarter & Half Year ended 30th September, 2023

Particulars	Quarter ended					Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	33,383.05	34,666.70	26,563.83	68,049.75	51,041.96	1,07,243.22
II Other income	758.06	582.62	1,078.05	1,340.68	2,262.58	4,184.75
III Total income (I+II)	34,141.11	35,249.32	27,641.88	69,390.43	53,304.54	1,11,427.97
IV EXPENSES						
Cost of materials consumed	16,687.87	17,198.16	10,816.41	33,886.03	22,874.64	50,033.50
Purchase of stock-in-trade	24.22	24.38	30.49	48.60	75.44	152.65
Changes in inventories of finished goods and work-in-progress	(484.38)	(444.16)	1,834.61	(928.54)	51.20	2,201.32
Employee benefits expense	7,006.96	7,361.40	6,897.32	14,368.36	13,603.44	27,086.47
Finance costs	382.47	247.53	302.13	630.00	468.79	938.02
Impairment loss on financial assets	-	-	56.95	-	113.90	341.72
Depreciation and amortization expenses	2,725.95	2,736.27	2,645.67	5,462.22	4,902.64	10,597.92
Other expenses	10,878.99	9,696.04	10,041.23	20,575.03	18,525.33	36,718.90
Total expenses (IV)	37,222.08	36,819.62	32,624.81	74,041.70	60,615.38	1,28,070.50
V Profit / (Loss) before exceptional items and tax (III-IV)	(3,080.97)	(1,570.30)	(4,982.93)	(4,651.27)	(7,310.84)	(16,642.53)
VI Exceptional items - expenses (Refer note 8)	-	-	502.24	-	502.24	11,266.44
VII Profit / (Loss) before tax (V-VI)	(3,080.97)	(1,570.30)	(5,485.17)	(4,651.27)	(7,813.08)	(27,908.97)
VIII Tax expense						
(1) Current tax	-	-	-	-	-	-
(2) Deferred tax charge / (credit) (Refer note 4)	-	-	2,061.22	-	2,061.22	2,061.22
(3) Short / (excess) provision for tax (earlier years)	-	-	-	-	-	-
	-	-	2,061.22	-	2,061.22	2,061.22
IX Profit / (Loss) for the period after tax (VII-VIII)	(3,080.97)	(1,570.30)	(7,546.39)	(4,651.27)	(9,874.30)	(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	(112.21)	(17.87)	(18.10)	(130.08)	188.06	224.63
- Equity instruments through other comprehensive income	-	-	1,586.82	-	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	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)	(112.21)	(17.87)	3,629.94	(130.08)	3,836.10	3,872.67
XI Total Comprehensive Income for the period (IX+X)	(3,193.18)	(1,588.17)	(3,916.45)	(4,781.35)	(6,038.20)	(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	(4.38)	(2.23)	(10.72)	(6.61)	(14.02)	(42.57)
(2) Diluted	(4.38)	(2.23)	(10.72)	(6.61)	(14.02)	(42.57)

Notes:

- The above unaudited standalone financial results ("the Statement") for the quarter and half year ended 30th September, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 1st November, 2023. The statutory auditors have expressed a qualified audit conclusion on these standalone financial results for the quarter and half year ended 30th September, 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.

SIGNED FOR IDENTIFICATION BY
A. V. Mody
N. A. SHAH ASSOCIATES LLP
MUMBAI

R. N. Chaturvedi
MUMBAI
400 102

UNICHEM

Based on the unaudited balance sheet as at 30th September, 2023, the Company has aggregate financial exposure of ₹ 13,673.61 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, loss for the quarter and half year ended 30th September, 2023 and accumulated losses in Niche as at 30th September, 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 ₹ 13,673.61 lakhs.

Considering the above uncertainty in regard to ongoing litigation related to EU matter and circumstances prevailing as at 30th September, 2023, such as past performance, results, accumulated losses, negative net worth, 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 ₹ 6,764.25 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 and quarter and half year ended 30th September, 2023.

- 6 During the quarter and 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. The Company is awaiting the valuation report from Optimus based on their audited financial statements for the year ended 31st March, 2023 and accordingly impact of change in fair value of such investments will be considered in the subsequent period. The balance number of unsold equity shares will be sold for a price to be determined based on the above mentioned valuation report and adjusted for fulfillment of performance criteria of the Investee as per the SPA.

- 8 Exceptional Items comprise of the following:

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	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)	-	-	502.24	-	502.24	502.24
Employee benefits expense (one-time discretionary loyalty bonus)	-	-	-	-	-	1,750.00
Total Exceptional Item - expenses	-	-	502.24	-	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			Half year ended		Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
Total R&D expenditure	2,903.38	2,682.46	2,957.07	5,585.84	5,162.35	10,939.82

- 10 During the quarter and half year ended 30th September 2023, the Company has granted 5,00,000 stock options at an exercise price of Rs. 370/- per share with a vesting period of 3 years to the eligible employee of its subsidiary company.
- 11 In the annual general meeting of the Company held on 25th September, 2023, the shareholders of the Company have approved the appointment of Mr. Pabitrakumar Bhattacharyya as Managing Director for a period of 3 years and re-designated Dr. Prakash Mody as Non-Executive, Non-Independent Director of the Company w.e.f. 10th August, 2023.
- 12 Ipca Laboratories Limited became the Holding Company of the Company with effect from 10th August, 2023.
- 13 Statement of Standalone Assets and Liabilities:

Particulars	₹ Lakhs	
	As at 30th Sep, 2023	As at 31st Mar, 2023
I. ASSETS	Unaudited	Audited
Non-current assets		
(a) Property, plant and equipment	1,15,880.64	1,18,511.70
(b) Right-of-use assets	4,989.08	5,082.58
(c) Capital work-in-progress	12,238.65	14,782.00

SIGNED FOR IDENTIFICATION BY

 N. A. SHAH ASSOCIATES LLP
 MUMBAI


 P. BHATTACHARYYA


UNICHEM


(d) Investment property	-	-
(e) Financial assets		
(i) Investments	3,985.80	3,897.78
(ii) Loans	13.78	12.76
(iii) Other financial assets	589.85	631.57
(f) Other non-current assets	15,364.83	16,078.01
	1,53,062.63	1,58,996.40
Current assets		
(a) Inventories	48,085.74	48,018.93
(b) Financial assets		
(i) Investments	157.90	153.56
(ii) Trade receivables	52,444.51	47,207.61
(iii) Cash and bank balances		
Cash & cash equivalents	5,080.39	15,566.84
Other bank balances	141.63	161.09
(iv) Loans	5.64	5.62
(v) Other financial assets	71.64	170.69
(c) Other current assets	20,169.22	17,992.07
	1,26,156.67	1,29,276.41
Non-Current Assets held for sale	337.94	341.10
TOTAL ASSETS	2,79,557.24	2,88,613.91
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,408.12	1,408.12
(b) Other equity	2,32,339.70	2,37,018.94
	2,33,747.82	2,38,427.06
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,094.40	6,364.90
(ii) Lease liabilities	660.37	655.66
(b) Provisions	4,647.20	4,190.69
(c) Deferred tax liabilities (net)	-	-
(d) Other non-current liabilities	86.96	109.50
	10,488.93	11,320.75
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,308.07	3,802.62
(ii) Lease liabilities	2.00	2.00
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	305.23	551.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	18,531.85	23,895.97
(iv) Other financial liabilities	2,798.97	4,548.45
(b) Other current liabilities	6,175.61	4,865.00
(c) Provisions	1,198.76	1,200.75
	35,320.49	38,866.10
TOTAL EQUITY AND LIABILITIES	2,79,557.24	2,88,613.91

14 Statement of Standalone Cash Flows (Unaudited):

₹ Lakhs

Particulars	Six months ended 30th September, 2023	Six months ended 30th September, 2022
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax	(4,651.27)	(7,813.08)
Adjustments:		
Depreciation / amortisation (including investment property)	5,462.23	4,902.95
Loss / (profit) on sale / discard of property, plant and equipment (net)	3.47	1.37
Unrealised exchange difference (net)	(97.19)	(491.27)
Rent income	(0.05)	(0.05)
Guarantee commission income	(13.33)	(12.13)
Finance cost	630.00	468.78
Provision for doubtful debts, loans, advances & deposits (net)	52.16	56.77
Share-based payments to employees	-	52.46

SIGNED FOR IDENTIFICATION BY

N. A. SITAR ASSOCIATES LLP
MUMBAI


MUMBAI

UNICHEM

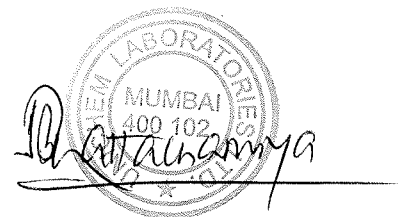
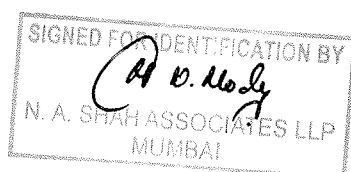
Fair value gain on investments (net)	(247.02)	(279.31)
Net loss on sales of shares (refer note 8)	-	502.24
Interest income	(15.98)	(8.50)
Sundry balance written off / (written back)	(4.60)	(0.68)
Impairment loss on financial assets	-	113.90
- inter corporate deposits & interest thereon	-	(0.46)
Dividend income	(0.43)	
	5,769.26	5,306.07
Operating Profit / (Loss) Before Working Capital Changes	1,117.99	(2,507.01)
Working Capital Adjustments:		
Trade receivables & other assets	(6,410.13)	2,110.15
Inventories	(66.81)	1,595.33
Trade payables & other liabilities	(5,147.55)	(1,801.48)
	(11,624.49)	1,904.00
Cash generated from / (used in) operations	(10,506.50)	(603.01)
Direct taxes refund received / (payment made)	(4.13)	(5.31)
Net Cash Flow from / (used in) Operating Activities [A]	(10,510.63)	(608.32)
B. Cash Flow from Investing Activities		
Purchase of property, plant & equipment including capital work-in-progress	(1,009.16)	(2,605.26)
Proceeds from sale of property, plant and equipment	146.39	39.09
Investments made		
- in subsidiaries (at cost)	-	(146.86)
Sale / (purchase) of current investment (net)	-	22,566.42
Sale of non current investment (quoted equity shares)	14.09	-
Sale of investment in Optimus shares (net)	-	1,084.57
Rent received	0.05	0.05
(Increase) / decrease in dividend escrow bank accounts	19.46	347.52
Interest received	20.33	32.37
Dividend received	0.43	0.46
Net Cash Flow from / (used in) Investing Activities [B]	(808.41)	21,318.36
C. Cash Flow from Financing Activities		
Increase / (decrease) in working capital borrowings (net)	2,505.45	(17.99)
Repayments of long term borrowings	(1,283.16)	(1,283.16)
Payments of lease liabilities	(20.17)	(7.58)
Finance cost paid	(592.46)	(425.99)
Dividend paid	(19.75)	(2,842.99)
Net Cash Flow from / (used in) Financing Activities [C]	589.91	(4,577.71)
Net (Decrease) / Increase in Cash and Cash Equivalents [A+B+C]	(10,729.13)	16,132.33
Add: Current investments reclassified as cash and cash equivalents during the period	-	3,642.04
Net (Decrease) / Increase in Cash and Cash Equivalents	(10,729.13)	19,774.37
Cash and Cash Equivalents at the beginning of the period	15,566.84	9,412.69
Effect of fair value gain / (loss) on liquid mutual Funds	242.68	57.01
Cash and Cash Equivalents at end of the period	5,080.39	29,244.07

By Order of the Board
For Unichem Laboratories Limited

P. Kalipada Bhattacharya

Mr. Pabitrakumar Kalipada Bhattacharya
Managing Director
DIN: 07131152

Place: Mumbai
Date: 1st November, 2023




UNICHEM LABORATORIES LIMITED
CIN: L99999MH1962PLC012451
Statement of Unaudited Consolidated Results for the Quarter & Half Year ended 30th September, 2023



Particulars	Quarter ended			Half year ended		Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	41,562.90	42,318.65	32,881.93	83,881.55	63,842.76	1,34,302.22
II Other income	553.55	863.07	920.56	1,416.62	1,705.30	3,851.51
III Total income (I+II)	42,116.45	43,181.72	33,802.49	85,298.17	65,548.06	1,38,153.73
IV EXPENSES						
Cost of materials consumed	17,494.47	17,626.60	11,640.29	35,121.07	24,488.54	53,219.93
Purchase of stock-in-trade	24.22	24.38	30.49	48.60	75.44	152.65
Changes in inventories of finished goods and work-in-progress	(1,238.11)	(806.86)	1,280.27	(2,044.97)	(586.96)	1,720.09
Employee benefits expense	9,671.53	9,880.83	8,934.48	19,552.36	17,711.23	35,641.05
Finance costs	672.61	576.12	469.09	1,248.73	770.21	1,731.25
Impairment loss on financial assets	-	-	56.95	-	113.90	341.72
Depreciation and amortization expenses	2,945.46	2,877.12	2,843.37	5,822.58	5,297.91	11,344.37
Other expenses	14,734.49	12,791.90	12,770.60	27,526.39	23,968.30	47,782.32
Total expenses (IV)	44,304.67	42,970.09	38,025.54	87,274.76	71,838.57	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)	(2,188.22)	211.63	(4,223.05)	(1,976.59)	(6,290.51)	(13,779.65)
VII Exceptional items - expenses (Refer note 7)	-	-	502.24	-	502.24	3,856.64
VIII Profit / (Loss) before tax (VI-VII)	(2,188.22)	211.63	(4,725.29)	(1,976.59)	(6,792.75)	(17,636.29)
IX Tax expense						
(1) Current tax	201.48	82.90	266.54	284.38	566.76	1,105.63
(2) Deferred tax charge / (credit) (Refer note 4)	59.09	195.56	2,074.80	254.65	2,043.99	1,534.98
(3) Short / (excess) provision for tax (earlier years)	-	-	-	-	-	(54.14)
	260.57	278.46	2,341.34	539.03	2,610.75	2,586.47
X Profit / (Loss) for the period after tax (VIII-IX)	(2,448.79)	(66.83)	(7,066.63)	(2,515.62)	(9,403.50)	(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	(112.21)	(17.87)	(18.10)	(130.08)	188.06	224.63
- Equity instruments through other comprehensive income	-	-	1,586.82	-	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	2,061.22
B. (i) Items that will be reclassified to profit or loss (Foreign currency translation difference)	47.40	(233.11)	502.71	(185.71)	981.95	719.82
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total of Other Comprehensive Income / (Loss)	(64.81)	(250.98)	4,132.65	(315.79)	4,818.05	4,592.49
XII Total Comprehensive Income for the period (X+XI)	(2,513.60)	(317.81)	(2,933.98)	(2,831.41)	(4,585.45)	(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	(3.48)	(0.09)	(10.04)	(3.57)	(13.36)	(28.72)
(2) Diluted	(3.48)	(0.09)	(10.04)	(3.57)	(13.36)	(28.72)

Notes:

- The above unaudited consolidated financial results ("the Statement") for the quarter and half year ended 30th September, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 1st November, 2023. The statutory auditors have expressed a qualified audit conclusion on these consolidated financial results for the quarter and half year ended 30th September, 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.

SIGNED FOR IDENTIFICATION BY

N. A. SHAH ASSOCIATES LLP
MUMBAI

UNICHEM

- 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 and the statutory auditor of the Company have reported the said qualification in their limited review report on the Statement for the quarter and half year ended 30th September, 2023. The above matter was also qualified in the audit reports issued by auditors of the Niche and statutory auditors of the Company for the quarter ended 30th June, 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. The Company is awaiting the valuation report from Optimus based on their audited financial statements for the year ended 31st March, 2023 and accordingly impact of change in fair value of such investments will be considered in the subsequent period. The balance number of unsold equity shares will be sold for a price to be determined based on the above mentioned valuation report and adjusted for fulfillment of performance criteria of the Investee as per the SPA.

- 7 Exceptional Items comprise of the following:

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
(Gain) / Loss on disposal of investment (refer note 6 above)	-	-	502.24	-	502.24	502.24
Employee benefits expense (one-time discretionary loyalty bonus)	-	-	-	-	-	3,354.40
Total Exceptional Item - expenses	-	-	502.24	-	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			Half year ended		Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
Total R&D expenditure	2,903.38	2,682.46	2,957.07	5,585.84	5,162.35	10,939.82

- 9 During the quarter and half year ended 30th September 2023, the Company has granted 5,00,000 stock options at an exercise price of Rs. 370/- per share with a vesting period of 3 years to the eligible employee of its subsidiary company.
- 10 In the annual general meeting of the Company held on 25th September, 2023, the shareholders of the Company have approved the appointment of Mr. Pabitrakumar Bhattacharyya as Managing Director for a period of 3 years and re-designated Dr. Prakash Mody as Non-Executive, Non-Independent Director of the Company w.e.f. 10th August, 2023.
- 11 Ipca Laboratories Limited became the Holding Company of the Company with effect from 10th August, 2023.

- 12 Statement of Consolidated Assets and Liabilities:

Particulars	₹ Lakhs	
	As at 30th Sep, 2023	As at 31st Mar, 2023
	Unaudited	Audited
I. ASSETS		
Non-current assets		
(a) Property, plant and equipment	1,16,889.33	1,19,612.44
(b) Right-of-use assets	5,631.08	5,899.14
(c) Capital work-in-progress	12,202.07	14,745.42
(d) Investment property	-	-
(e) Goodwill	154.51	154.51
(f) Other intangible assets	-	-
(g) Investment accounted for using the equity method	-	-
(h) Financial assets	-	-

SIGNED FOR IDENTIFICATION BY

 N. A. SHAH ASSOCIATES LLP
 MUMBAI





UNICHEM

(i) Investments	2.00	16.09
(ii) Loans	13.78	12.76
(iii) Other financial assets	589.85	631.57
(i) Deferred tax assets (net)	506.99	1,011.27
(j) Other non-current assets	17,436.98	18,034.08
	1,53,426.59	1,60,117.28
Current assets		
(a) Inventories	63,753.89	62,522.93
(b) Financial Assets		
(i) Investments	157.90	153.56
(ii) Trade receivables	61,499.79	58,862.17
(iii) Cash and bank balances		
Cash & cash equivalents	6,314.24	18,375.22
Other bank balances	141.61	161.07
(iv) Loans	5.64	5.62
(v) Other financial assets	71.64	170.69
(c) Current tax assets (net)	231.99	-
(d) Other current assets	21,052.16	18,595.25
	1,53,228.86	1,58,846.51
Non-Current Assets held for sale	337.94	341.10
TOTAL ASSETS	3,06,993.39	3,19,304.89
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,408.12	1,408.12
(b) Other equity	2,39,392.99	2,42,122.29
	2,40,801.11	2,43,530.41
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,094.40	6,364.90
(ii) Lease liabilities	973.01	1,149.31
(b) Provisions	4,647.20	4,190.69
(c) Deferred tax liabilities (net)	-	-
(d) Other non-current liabilities	86.96	109.50
	10,801.57	11,814.40
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	22,503.31	23,374.35
(ii) Lease liabilities	446.24	515.95
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	305.23	551.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,131.33	28,517.29
(iv) Other financial liabilities	2,911.92	4,561.86
(b) Other current liabilities	6,893.92	5,189.43
(c) Provisions	1,198.76	1,200.75
(d) Current tax liabilities (net)	-	49.14
	55,390.71	63,960.08
TOTAL EQUITY AND LIABILITIES	3,06,993.39	3,19,304.89

13 Statement of Consolidated Cash Flows (Unaudited):

₹ Lakhs

Particulars	Six months ended 30th September, 2023	Six months ended 30th September, 2022
Net Profit / (Loss) before tax	(1,976.59)	(6,792.75)
Adjustments:		
Depreciation / amortisation (including investment property)	5,822.58	5,297.93
Loss / (profit) on sale / discard of property, plant and equipment (net)	3.12	1.36
Unrealised exchange difference (net)	(171.60)	69.55
Rent income	(0.05)	(0.05)
Share of (profit) / loss from associate	-	-
Finance cost	1,248.73	770.20
Provision for doubtful debts, loans, advances & deposits (net)	52.16	56.98
Share-based payment to employees	8.05	52.46
Fair value gain on investments (net)	(247.02)	(279.31)
Net loss on sales of shares (refer note 7)	-	502.24

SIGNED AND IDENTIFICATION BY

 N. A. SHAM ASSOCIATES LLP

LABORATORIES
 MUMBAI
 400 102.


UNICHEM

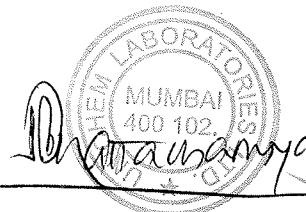
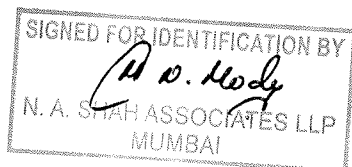
Interest income	(26.63)	(22.55)
Sundry balance written off / (written back)	(4.62)	(0.68)
Impairment loss on financial assets		
- inter corporate deposits & interest thereon	-	113.90
Dividend income	(0.43)	(0.46)
	6,684.29	6,561.57
Operating Profit / (Loss) Before Working Capital Changes	4,707.70	(231.2)
Working Capital Adjustments:		
Trade receivables & other assets	(3,989.38)	7,583.89
Inventories	(1,230.96)	936.29
Trade payables & other liabilities	(6,675.60)	(1,302.48)
	(11,895.94)	7,217.70
Cash generated from / (used in) operations	(7,188.24)	6,986.52
Direct taxes refund received / (payment made)	(569.64)	(862.06)
Net Cash Flow from / (used in) Operating Activities [A]	(7,757.88)	6,124.46
B. Cash Flow from Investing Activities		
Purchase of property, plant & equipment including capital work-in-progress	(1,090.02)	(2,920.85)
Proceeds from sale of property, plant and equipment	146.39	39.09
Sale / (purchase) of current investment (net)	-	22,566.46
Sale of investment in Optimus shares (net)	-	1,084.57
Sale of non current investment (quoted equity shares)	14.09	-
Rent received	0.05	0.05
(Increase) / decrease in dividend escrow bank accounts	19.46	347.52
Interest received	30.98	46.42
Dividend received	0.43	0.46
Net Cash Flow from / (used in) Investing Activities [B]	(878.62)	21,163.72
C. Cash Flow from Financing Activities		
Increase / (decrease) in working capital borrowings (net)	(882.17)	(2,547.83)
Payments of Lease liabilities	(279.63)	(808.08)
Repayments of long term borrowings	(1,283.16)	(1,283.16)
Finance cost paid	(1,202.45)	(706.05)
Dividend paid	(19.75)	(2,842.99)
Net Cash Flow from / (used in) Financing Activities [C]	(3,667.16)	(8,188.11)
Net (Decrease) / Increase in Cash and Cash Equivalents [A+B+C]	(12,303.66)	19,100.07
Add: Current investments reclassified as cash and cash equivalents during the period	-	3,642.04
Net (Decrease) / Increase in Cash and Cash Equivalents	(12,303.66)	22,742.11
Cash and Cash Equivalents at the beginning of the period	18,375.22	10,919.63
Effect of fair value gain / (loss) on liquid mutual Funds	242.68	57.01
Cash and Cash Equivalents at end of the period	6,314.24	33,718.75

By Order of the Board
For Unichem Laboratories Limited

Bhattacharya

Mr. Pabitrakumar Kalipada Bhattacharyya
Managing Director
DIN: 07131152

Place: Mumbai
Date: 1st November, 2023



UNICHEM

Independent Auditor's Review Report on Quarterly and Half yearly 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 half year ended 30th September, 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").

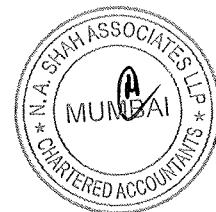
Management's responsibility

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.

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.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's Review Report on Quarterly and Half yearly 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 30th September, 2023 of Rs. 6,764.25 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. 6,764.25 lakhs. However, the management is of the view that no further provision is required for the balance financial exposure of Rs. 6,764.25 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 half year ended 30th September, 2023. Our audit report for the previous year ended 31st March, 2023 and limited review report for the quarter ended 30th June, 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.

Emphasis of Matter paragraph

6. We draw attention to note 7 of the Statement in regard to the fair value of unquoted equity investments in Optimus Drugs Private Limited ("Optimus") where the Company is awaiting the valuation report from Optimus based on their audited financial statements for the year ended 31st March, 2023 and accordingly impact of change in fair value of such investments will be considered in the subsequent period. This matter was also reported under 'Emphasis of Matter paragraph' in our audit report for the previous year ended 31st March, 2023 and limited review report for the quarter ended 30th June, 2023. Our conclusion is not modified in respect of the above matter.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W / W100149

M. V. Mody

Milan Mody

Partner

Membership No.: 103286

UDIN: 23103286B6PZVA8581

Place: Mumbai

Date: 1st November, 2023



Independent Auditor's Review Report on Quarterly and Half yearly 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 of the net loss after tax and total comprehensive income of its associate for the quarter and half year ended 30th September, 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

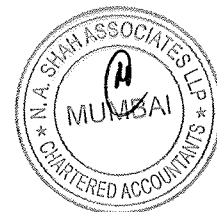
2. The Statement is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors. The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting"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

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 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 Half yearly 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

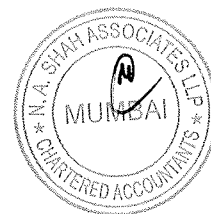
5. We draw attention to note 5 of the Statement which sets out the current ongoing litigation regarding the EU matter that the subsidiary (Niche Generics Limited, UK) is facing. The auditors of Niche have issued a qualified conclusion for the quarter and half year ended 30th September, 2023 stating that:

"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 at the balance sheet date). 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."

Our conclusion is qualified in respect of this matter for the quarter and half year ended 30th September, 2023. Our audit report for the previous year ended 31st March, 2023 and limited review report for the quarter ended 30th June, 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 8 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.



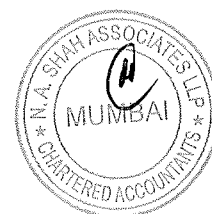
Independent Auditor's Review Report on Quarterly and Half yearly Consolidated Unaudited Financial Results of Unichem Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (continued)

Emphasis of Matter paragraph

7. We draw attention to note 6 of the Statement in regard to the fair value of unquoted equity investments in Optimus Drugs Private Limited ("Optimus") where the Company is awaiting the valuation report from Optimus based on their audited financial statements for the year ended 31st March, 2023 and accordingly impact of change in fair value of such investments will be considered in the subsequent period. This matter was also reported under 'Emphasis of Matter paragraph' in our audit report for the previous year ended 31st March, 2023 and limited review report for the quarter ended 30th June, 2023. Our conclusion is not modified in respect of the above matter.

Other matters

8. We did not review the interim financial statements of five subsidiaries, whose interim financial statements reflect total assets of Rs. 73,886.13 lakhs as at 30th September, 2023, total revenues (including other income) of Rs. 29,668.02 lakhs and Rs. 59,563.04 lakhs, total net profit after tax and total comprehensive income of Rs. 285.07 lakhs and Rs. 1,331.62 lakhs for the quarter and half year ended 30th September, 2023 respectively and net cash inflow/ (outflow) of Rs. (1,550.56) lakhs for the half year ended 30th September, 2023, 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 these subsidiaries and our report in terms of the Listing Regulations (as amended), in so far as it relates to aforesaid subsidiaries located outside India is based on the report of other auditors and the procedures performed by us as stated in paragraph 3 above.
9. We also did not review the interim financial information of subsidiary at China whose financial information reflect total assets of Rs. 52.36 lakhs as at 30th September, 2023, total net profit / (loss) after tax and total comprehensive income of Rs. (47.09) lakhs and Rs. (100.78) lakhs for the quarter and half year ended 30th September, 2023 respectively and net cash inflow/ (outflow) of Rs. (99.46) lakhs for the half year ended 30th September, 2023 as considered in the unaudited consolidated financial results. This financial information is not subject to limited review and 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 is solely based on the information provided by the management. According to the information and explanations given to us by the management, this financial information is not material to the Group.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's Review Report on Quarterly and Half yearly 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)

10. In case of associate, the carrying value of investment had been fully impaired. Further, financial information of associate is not available for the year ended 31st March, 2023 and half year ended 30th September, 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 the above matters.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No.: 116560W / W100149

Milan Mody

Milan Mody

Partner

Membership No.: 103286

UDIN: 23103286BG PZVB1676



Place: Mumbai

Date: 1st November, 2023